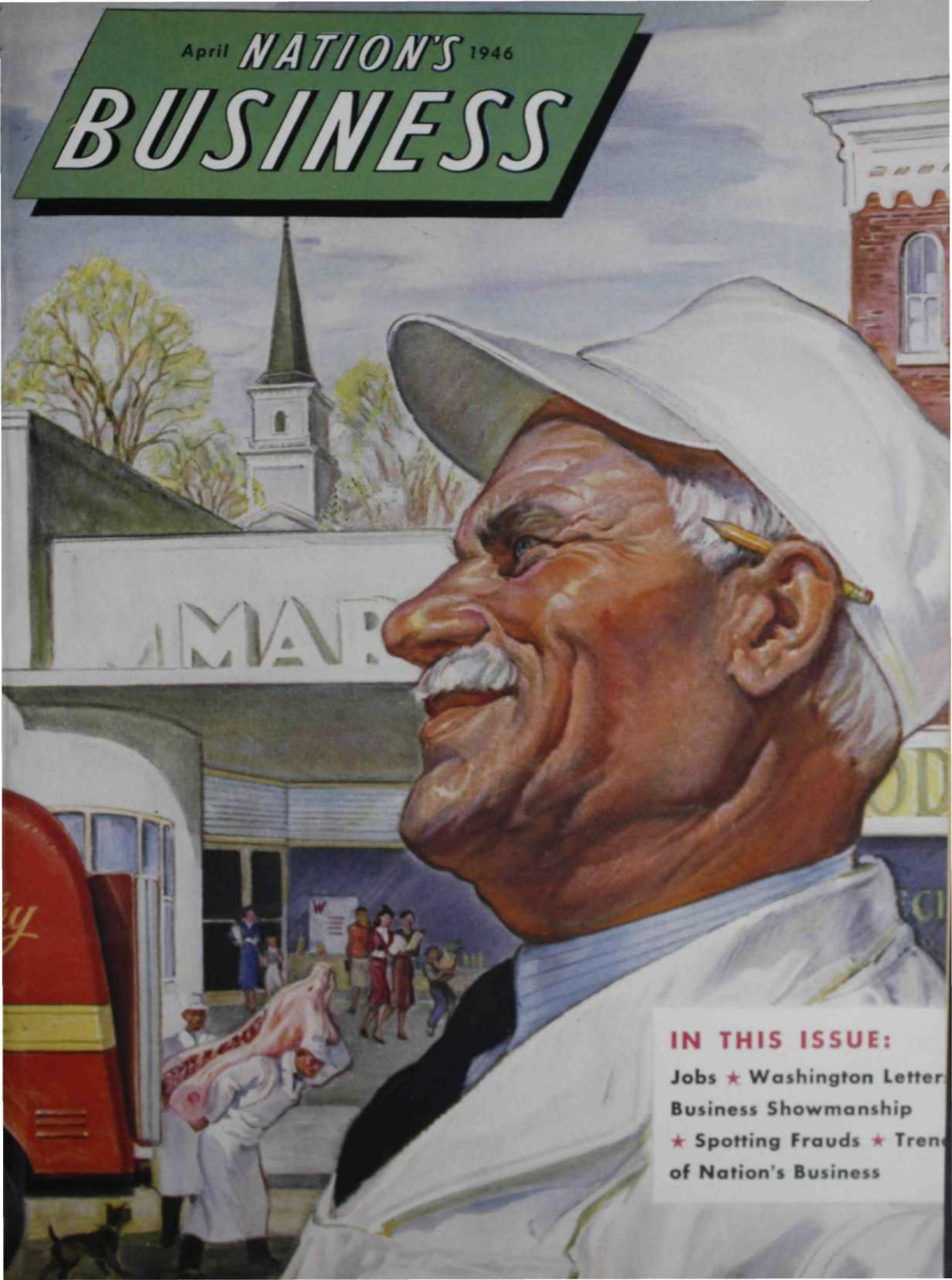


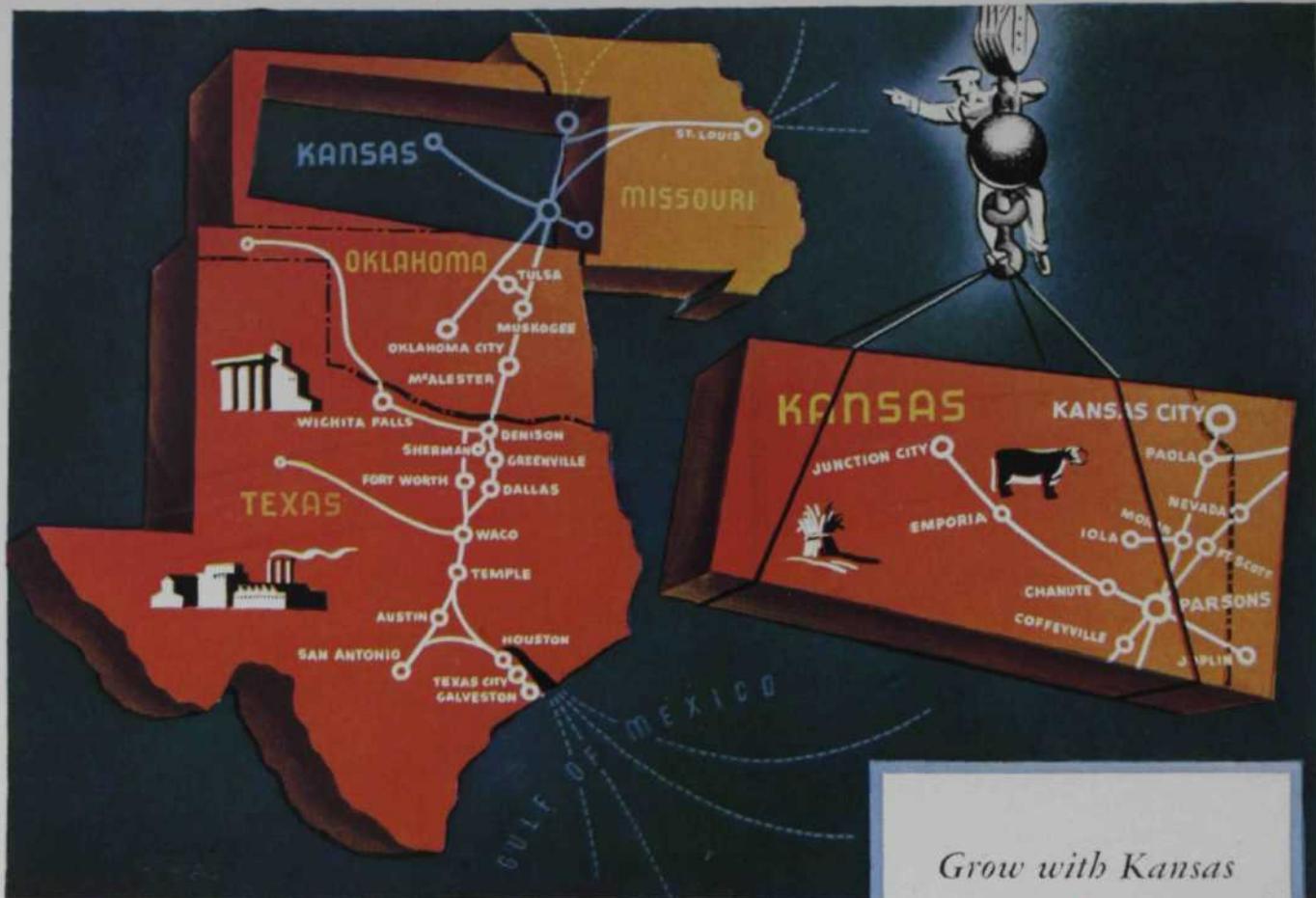
April 1946

NATION'S BUSINESS



IN THIS ISSUE:

- Jobs ★ Washington Letter
- Business Showmanship
- ★ Spotting Frauds ★ Trends of Nation's Business



You Can Be a Business Hero

There's a leading part for you, the role of Business Hero, in the industrial drama now unfolding in the new Southwest. For the alert executive who first investigates, then advocates, the unlimited profit possibilities of a plant or a branch in this rapidly expanding industrial area, is sure to win the approval and applause of business associates.

The Southwestern stage is set with every property needed to make your business grow and prosper — vast and varied reserves of raw materials, minerals, water, power, fuel — rich home markets bulging with buying power and offering ready outlets for every product of factory and farm — abun-

dant native labor, sharpened by wartime skills, and sympathetic partners to industrial development.

Because it is the pioneer railroad which first opened this strategic corridor to commerce 75 years ago and has led in its development through the years, the KATY is in a unique position to recommend appropriate plant sites and to furnish other timely data on this highly-favored region. Start your investigation by writing for the interesting booklet "The Industrial Southwest." Address Industrial Development Department, Missouri-Kansas-Texas Lines, St. Louis 1, Mo., or Katy Bldg., Dallas 2, Texas.

When you ship or travel Southwest—depend on Katy

312

MISSOURI-KANSAS-TEXAS RAILROAD SYSTEM

Grow with Kansas

Abounding in natural resources as well as agricultural wealth, the Katy-served kernel of the nation's greatest wheat state offers fertile territory for industrial growth. For Kansas is the key to the rich Southwestern corridor, offering quick access to national and world markets through the northern gateways of Kansas City and St. Louis and the gulf ports of Houston, Galveston and Texas City. For a quick picture of this richly-endowed area, send for booklet "The Industrial Southwest," containing comprehensive data on the industrial opportunities in the Katy-served territory destined for greatest peacetime prosperity.



A development of
B.F. Goodrich
FIRST IN RUBBER



Razing cane—75% cheaper

A typical example of B. F. Goodrich development in rubber

DOWN in Louisiana sugar cane is a big crop. Big in many ways. Cane stalks stand 10 to 15 feet high. They're tough, sturdy, often 1½ to 2 inches in diameter. And cane has to be harvested during the winter rainy season—even when there's water standing in the rows.

For years farm work in this southern sugar bowl was a job for men and horses. It was slow, heavy work—planting, cultivating, cutting the heavy cane by hand in wet fields. They tried mechanized farm equipment—but it didn't work well in the cane fields until special rubber tires were developed. B. F. Goodrich took the design of its regular tractor tire which had

worked so well in other sections, put double-high cleats on it for greater traction.

This special cane field tire made practical new cane field machinery. The harvester shown in the picture cuts cane as easily as though it were grass, lays it in rows. Labor costs only 25c per ton. Hand labor—when you can get it—costs about \$1 per ton. Thus the machine method saves 75%. Time saving in case of an early freeze may be even more important.

A special crane, mounted on this same kind of tires, picks up the cane stalks with grappling hooks, drops them onto rubber-tired wagons. Time and money are saved on every operation.

This cane field tire is typical of B. F. Goodrich developments in tires for every purpose. If the job requires a special kind of tire B. F. Goodrich builds it. In the complete line are special tires for off-the-road usage, for logging trucks, for road machinery, for farm equipment, for intra-plant hauling, and many other purposes. Before you buy tires, check the B. F. Goodrich man. He can show you an improved tire for every purpose. *The B. F. Goodrich Company, Akron, Ohio.*

Tires and Tubes
BY
B. F. Goodrich



Have you a Business that needs Weatherstripping?

Businesses have a way of being got at by "the weather", just like houses. The drafts of competition get in when the business isn't "weather-tight".

The Monarch Metal Weatherstrip Corporation of St. Louis, having had experience in eliminating unnecessary drafts, wasn't going to allow competition to get at them.

In 1935, they hit upon a new design in weatherstripping, using aluminum. They knew Alcoa had developed a method, called the Alumilite* Process, of giving aluminum a lustrous, enduring, stain-resistant finish. However, it had never been used for finishing strip in a continuous operation.

So, Monarch brought its problem to Alcoa, and Alcoa engineers

went to work. They designed and helped build continuous Alumilite Process equipment—first of its kind ever developed—in Monarch's plant.

This equipment not only made Monarch's aluminum weatherstripping—trademarked MetaLane—stay bright but also made it competitive in cost! Without Alcoa's help, the idea might well have been abandoned. With it, Monarch and the idea went far... so far, in fact, that Monarch is now processing aluminum products of other manufacturers.

* * * *



Today, there is more room than ever before for businesses to take root and grow in aluminum, as this one has. Alcoa is ready to help any one of them—including yours. ALUMINUM COMPANY OF AMERICA, 2125 Gulf Bldg., Pittsburgh 19, Pa.

ALCOA
FIRST IN
ALUMINUM

* Process Patented



Long Distance is catching up too

More Long Distance calls go through as you hold the wire. Long delays are fewer.

The service is getting better, but we've still got a good way to go before we get back to pre-war service.

Once we catch up with that, we'll keep right on going and try to make the record even better.

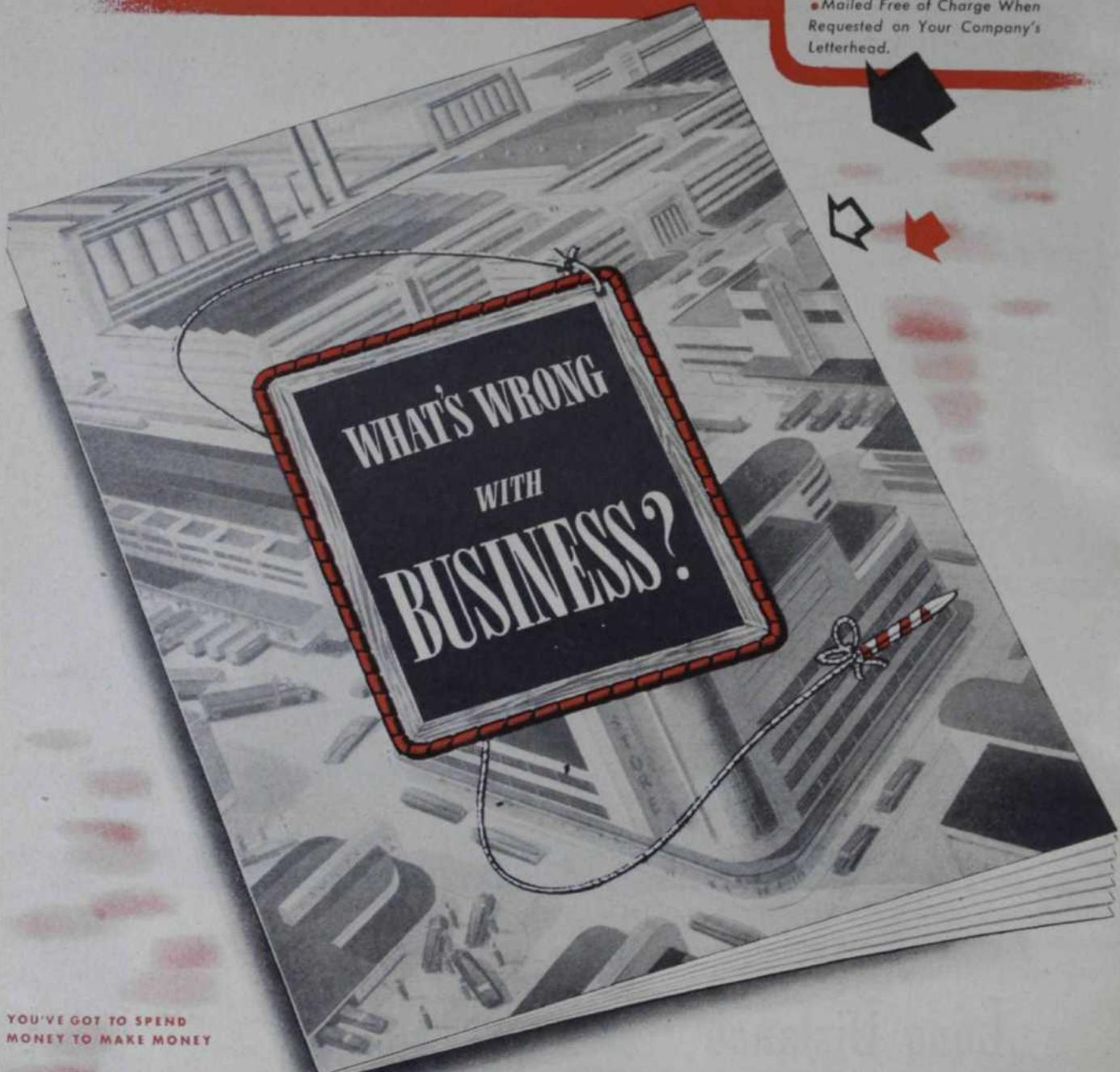
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Nation's Business



PUBLISHED BY

CHAMBER OF COMMERCE OF THE UNITED STATES

VOL. 34

APRIL, 1946

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Electronic PRECIPITATORS for every AIR FILTRATION PROBLEM

Self-Cleaning

Electro-MATIC

The completely automatic operation of this filter answers both the problem of removing the dust and smoke from the air, as well as the disposing of collected material. A continuous curtain of collector plates passes down the front of the filter and thru a viscous cleaning bath at bottom. Bulletin No. 250.



The Cleanable

Electro-CELL

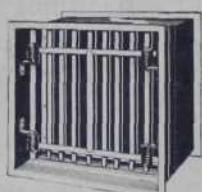


Sectional type Electronic air filter with removable collector plates. This feature eliminates need for water, oil, or sewer connections. Spare collector plate assemblies can be set into place and service continued while dirty plates are being cleaned. Bulletin No. 252.

Renewable Media

Electro-AIRMAT

This is the only Electronic dry filter on the market. Uses sheets of "charged" airmat paper which are renewed manually or by a mechanical loader. Combines mechanical filtration with Electronic cleaning. Bulletin No. 253.



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The service these trucks can render to industry and commerce depends entirely upon the kind of service they are given.

Truck service is the biggest factor in truck operation—and in operating cost—no matter what work the trucks are doing or who they're working for.

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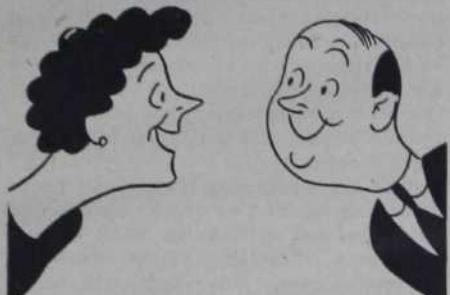
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on the



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Now under construction — new sleek Frisco streamliners — Meteor "Flash" and Texas Special — the finest and fastest ever built! Also more than 600 new freight cars of the latest type. For the finest and best in transportation — look to Frisco!

It's a
Great Railroad

Raiment

"BLACK TIE" and "formal dress" returned to party instructions last winter so the prospects are for a gala Easter Parade. If the world could prove that it means to walk henceforth in the ways of peace, the festive occasion would indeed be one to remember.

Meanwhile, the commercial angle on the season concerns soft goods versus hard goods. Will automobile and washing machine purchases hit the family budget hard enough to reduce apparel buying? Manufacturing clothiers ruefully recall their post-World War I experience when there was a shining limousine outside the door with a proud owner, wearing "what the well dressed man should not wear," standing by.

Atomic age tools

NEXT month we find out what the atom bomb can do to a big fleet in the mid-Pacific. Meanwhile another war-born invention has been revealed and promises to work out atomic power possibilities and a vast number of other industrial problems which have defied solution because of size of the calculations.

It is ENIAC, the new Electronic Numerical Integrator and Computer, 500 times as fast as any existing calculating device. A multiplication by a ten-digit multiplier can be done in 1-360 of a second.

After the problem has been set up ENIAC's 18,000 vacuum tubes flash the answer within two hours for a problem that would take 100 man-years, the electron microscope is available to carry along investigations into materials and their composition. Its magnifying power is 200,000 times greater than the finest optical instrument.

After the new industrial design or product has come through these stages of experiment and the pilot plant starts operation, electronic governors can guide every step of manufacturing.

The Atomic Age now boasts, therefore, the robot brains capable of grappling with all its soaring complexities.

Incentives

ONE of the country's top salaried executives expresses great concern about the increased tendency in his group "to find a nice spot in the country for taking it

easy until it becomes worth while to tackle a day-and-night job with big stakes and proportionate returns."

This argument against the high bracket tax is advanced by men who pushed through the war job and who are suffering now from war weariness. The net on new undertakings is too small to interest them even as they acknowledge that it feels good to be known as a "\$100,000 a year man" at their clubs and other haunts.

Incentives for management executives, therefore, seem a bit more important than incentives for workers because it is management that makes the worker incentives possible. Once there is greater appreciation of this premise by the powers that be, perhaps the proper tax adjustments can be devised that will halt the management movement "to the farm."

Small producers thriftier

THE idea that only big corporations were expert enough in their financial operations to set aside adequate reserves for future growth has been generally accepted.

Medium and smaller manufacturers were supposed to be too eager to "cash in" on their operations. A comprehensive study, "Expansion From Retained Earnings 1940-44," by Roy A. Foulke, vice president of Dun & Bradstreet, Inc., upsets this notion.

The big companies, according to SEC figures, increased their aggregate tangible net worth by 15.3 per cent between 1940 and 1943. This was approximately one-half the percentage increase for the group of medium and smaller manufacturers, which was 29.5 per cent.

The Foulke study and also the study of the SEC indicates that the growth has been at a decreasing yearly rate. The increase in the aggregate tangible net worth, for example, between 1940 and 1941 of the 1,785 identical medium and smaller manufacturers was 12.3 per cent.

The expansion between 1941 and 1942 was 8.2 per cent; between 1942 and 1943, 6.6 per cent; and between 1943 and 1944, 6.3 per cent.

Breaking down the 1,785 concerns into nine categories, Mr. Foulke found that the 288 manufacturers in the machinery group led with a gain of 49.6 per cent between 1940 and 1944, the textile group

NB Notebook



What does it cost to run a Railroad?

THE cost of running a railroad—a *real* one—is made up of a thousand and one things. Wages, fuel, taxes, replacement of worn-out materials, maintenance of rolling stock, track and right of way, are only a few of the many items which have increased in cost since 1939, making it over 25% more expensive to run a railroad like the Erie.

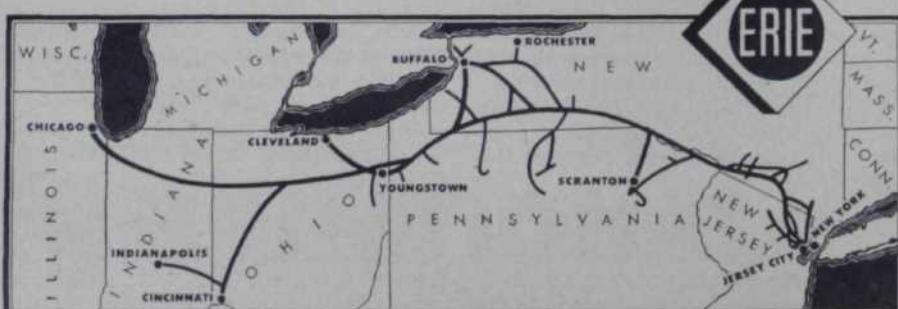
But while these costs have gone up, freight charges have gone down, until today they average less than 1¢ for moving a ton of freight one

mile. This means that the freight charges on the products you buy are one of the few things that have not increased in price—in fact, the average cost per ton mile to shippers today is 2½% lower than in 1939, and 25% lower than in 1921.

—All because progressive private management wisely reinvested earnings in better tools and equipment for skilled railroad workers to use in providing America with the finest transportation at the lowest possible cost.

Erie Railroad

Serving the Heart of Industrial America



came next with 44.1 per cent, followed by 293 concerns in the iron and steel industry with 43 per cent.

To and fro costs

AN INTERESTING point on reconversion has been raised by Thomas W. Harris, Jr., of E. I. du Pont de Nemours & Co., in submitting a report on the paper market to the National Association of Purchasing Agents. Manufacturers of low-grade papers, he points out, continue to convert to high-priced coated papers.

"We sometimes wonder," he writes, "if these concerns are acting intelligently from a long-range viewpoint. We are wondering what happens when conditions return to normal and the regular producers of these better grades can supply the total requirements. Will the converted mills be able to compete with the old established mills, with a reputation for making fine papers over the years? If not, will they then convert to their former grades?"

"We are wondering if their net profit after paying for two reconversions and the huge cost of winning back the old customers whom they threw overboard when the going got rough, will be as great as it would have been if they had continued their regular grades."

The question Mr. Harris ponders, let it be added, embraces a number of products besides paper.

War surplus estimates

AT THIS writing war surplus operation is caught on another snag, this one dealing with the legal basis for setting up the War Assets Administration which Lt. General Gregory, Quartermaster General of the Army, was to head. Starting off with a law that President Roosevelt signed with objections duly noted, war surplus disposal has set a record for administrative and agency changes.

However, what business men are interested in is what, as buyers, they may expect in the way of added supplies and what, as sellers, they may look for in the shape of government unloading. Some idea of the quantities involved is offered in the report to Congress by W. Stuart Symington, former Surplus Property Administrator.

In plant equipment and production materials, sales in the fourth quarter of 1945 totalled \$47,308,000 and the inventory at the end of the year was \$1,102,239,000. Preliminary estimates indicated, however, that the value of equipment and materials still to be declared would be about \$4,600,000,000.

The largest single block of plant equipment is machine tools. Fourth quarter disposals were \$33,000,000 and cumulative acquisitions were \$405,000,000 or some 22 per cent of the amount tentatively estimated as surplus.

"At the end of the war," Mr. Symington's report said, "Government-owned machine tools were valued at approximately \$2,600,000,000 or more than the country's total output for the two decades between World War I and World War II. Even after subtracting the quantity that the owning agencies will re-

tain, the amount of tools that will be declared surplus will approximate \$1,800,000,000. Just as striking is the change in regional distribution of these tools. The number on the Pacific Coast, for instance, tripled from 1940 to 1945.

"According to a recent survey, the country today possesses more than 1,700,000 machine tools, 700,000 more than were installed in 1940. Roughly a third of this total is estimated to be federally owned, largely by the War and Navy Departments and Defense Plant Corporation."

Consumer goods sold in the fourth quarter had a reported cost of \$141,000,000 and brought \$48,000,000. Inventory at the end of the year was \$762,000,000. According to forecasts, the Symington report indicated, approximately \$4,100,000,000 more consumer goods will come into surplus over the next year and a half.

Not to trouble the reader with the calculations involved, the value of war surplus in consumer goods for 1946 comes to a mere two per cent of retail sales.

Fixed profits

UNDER the heading "Swindle Sheets" February's Notebook mentioned the rising cost of business entertainment and referred to the "free and easy days of cost-plus."

This caused Hugh Allen of Goodyear Tire and Rubber Co. to make a check of his company's war contracts. He found that not one was cost-plus. Virtually all of Goodyear's war contracts were cost-plus-fixed-fee, or straight fixed-price.

Cost-plus brought the big war profits scandal of World War I. By the addition of a phrase so that it read "cost plus fixed fee," World War II skirted this pitfall of the past.

This along with renegotiation, taxes and price control curbed all but a very few war profit excesses. For example, the automobile industry has just reported that, in the war years, its net profits averaged less than 3 per cent. In 1940 the industry earned 7.07 per cent and in 1939 its net after taxes was 8.25 per cent.

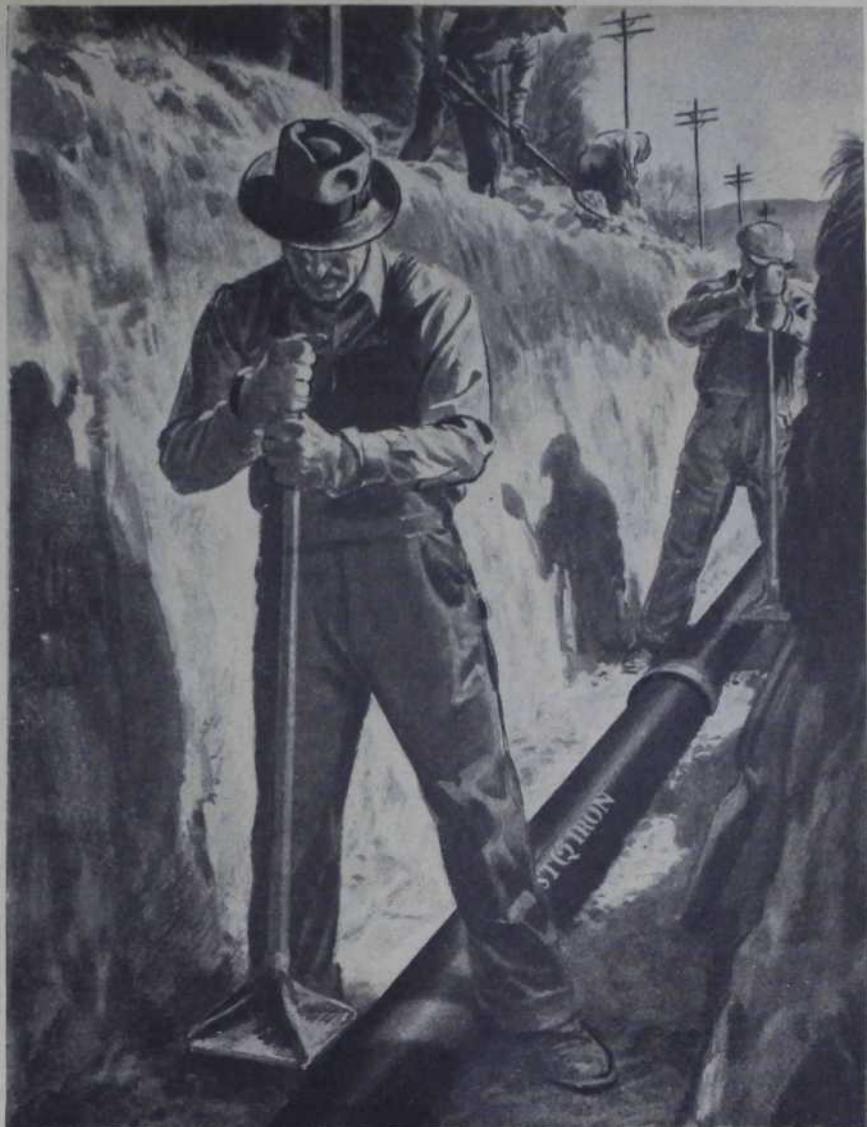
Foreign trade

AS THE country girds itself, not only for selling at home but for selling abroad, foreign trade statistics come in for closer scrutiny. During the war, exports were swelled, of course, by lend-lease operations and imports by strategic buying.

In 1942 lend-lease represented 61 per cent of total exports and the peak of 80 per cent was set in 1943. In 1944 lend-lease eased to 79 per cent and the 1945 percentage was 57 per cent.

Excluding lend-lease, the value of exports dropped to \$2,606,633,000 in 1943 from \$3,146,776,000 in 1942. The total bounced back to \$2,955,843,000 in 1944 and jumped 43 per cent last year to reach a value of \$4,243,940,000, this figure including shipments for UNRR account.

Imports have not been broken down to show "strategic" purchases. They



QUIZ: Why do NATION'S BUSINESS readers seldom see their streets dug up for the installation of pipe to replace worn-out water mains?

ANSWER: Because most of the water mains under the streets in front of homes, stores and office buildings throughout the nation—more than 95%—are of cast iron pipe; because most cast iron mains, once installed, never see the light of day again for generations; because the known useful life of cast iron pipe is more than double the estimated life of other pipe used for water mains. So when you do see pipe being installed look for the "Q-Check" mark—it identifies cast iron pipe.

CAST IRON PIPE RESEARCH ASSOCIATION, T. F. WOLFE, ENGINEER, 122 S. MICHIGAN AVE., CHICAGO 3

**CAST IRON PIPE
SERVES FOR CENTURIES**



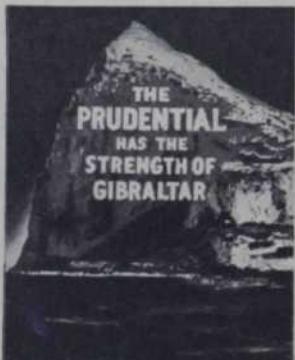
PICTURE OF A SMART MAN

Actually this picture never gets framed. There isn't time for that! But this card is a very precise picture of a man.

He is a worker. He has insured his life. The beneficiary is his son. He wants to be sure the boy gets an education.

This card was the first thing the Prudential Home Office made when his application was received. Then things moved fast! The insurance contract is typed automatically—using this card. All the vital records the Company keeps are automatically produced from cards like this. A folding machine speeds the policy along. A numbering machine saves more time. Another machine even prepares the contract for mailing.

All this was *not* done without people. Because the Prudential is essentially a business of very understanding people. But every modern tool is at hand to speed accuracy and service for policyholders. In turn, that is one reason why so many millions of policyholders turn first to Prudential. The Prudential Insurance Company of America, Newark, New Jersey.



have run \$2,744,662,000 for 1942; \$3,381,376,000 for 1943; \$3,920,590,000 for 1944 and \$4,139,863,000 for 1945.

Over the four war years, therefore, the import or debit balance has come to \$1,233,487,000. Last year, however, the postwar swing was started with a small export or favorable balance and once more we resume our role as a creditor nation that insists on a merchandise balance in its favor.

In the '20's we preferred to lend money to other nationals to buy our goods so that this merchandise balance could be maintained. It didn't work out so well, as most of us recall.

Color preferences

RE-PACKAGING is one of the important jobs of this postwar period and, as in many other undertakings, decisions are being guided by research rather than whim as in the past.

The Eagle Printing Co., a division of the General Printing Corporation, explains that manufacturers who sell colored products in national markets will find profit in a research approach to sectional color preferences.

"Volume selling and a full satisfaction of consumer wants," the company asserts, "will be assured where knowledge rather than mere guesswork becomes the guiding principle in merchandising color."

Motor trucks are packages, too, and the Automobile Manufacturers Association agrees with the ink company that tastes in color vary from conservative Back Bay Boston to color-conscious California.

"It may be the weather or it may be just that the North and East are of a more conservative bent," according to the association. "But those sections proportionately take more dark colors than do the South and California."

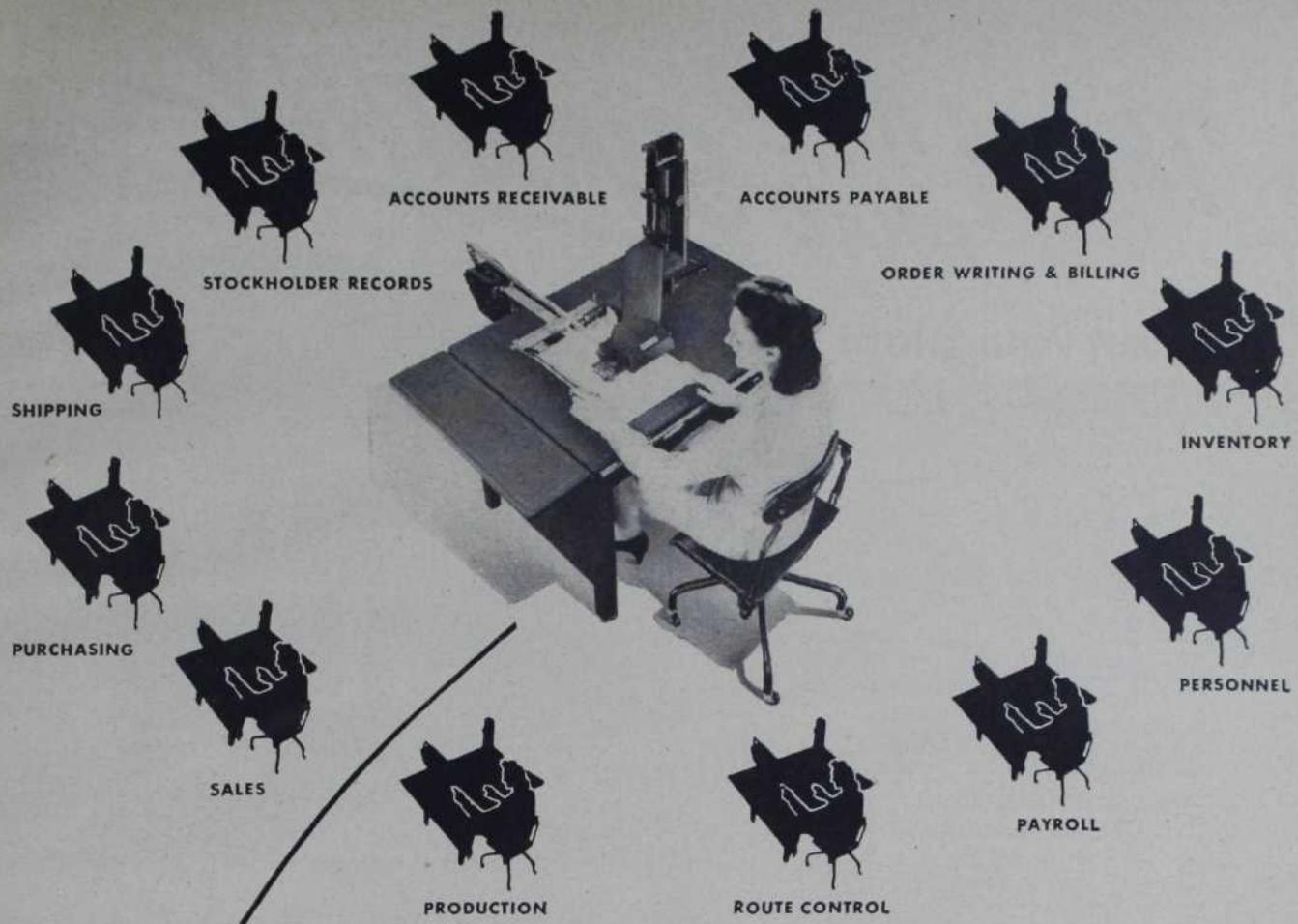
"Farmers and small business men," the association adds, "who use 2,450,000 of the 4,650,000 trucks in the United States, usually order the more serviceable colors. Two-thirds of such buyers take dark green and dark blue; one-seventh take red and an equal number take black. The rest order the other shades, light green, cream, brown, yellow, orange and white."

Brotherly loans

PHILADELPHIA banks have an eye to the practical side of driving home the meaning of free enterprise. Twenty-one of them have formed the Bank Credit Group which makes loans where the risk is a bit greater and the term longer than any one member bank feels it should assume.

No small or medium size business, therefore, has to seek help or advice from government agencies as long as the request for credit is sound and legitimate or can be made so.

Veterans receive aid and guidance from the Philadelphia Agency for Business Loans, Inc., another joint bank undertaking with a corps of business consultants attached, which has won national renown as a model for such service to returning GI's.



The world's *fastest* writing machine

ANYONE who can write 50 words a minute by hand is a fast worker. And 90 words a minute by typewriter is above average. But Addressograph equipment writes up to 5000 words or 30,000 figures a minute with complete accuracy!

Here is the fastest, most accurate method of putting words and figures on business forms. You can use Addressograph methods in *every one of the departments* named above—and in others, too. They can be used with existing systems or routines—in conjunction with other office equipment. You can save time

and money in every department that puts information on paper.

Why not check your paperwork operations? Find out how many departments write the same information more than once. See how often you write numbers, names, descriptions. Wherever you write the same information repeatedly you can save with Addressograph methods and the world's fastest writing machine.

Call the Addressograph representative in your city for all the facts. Addressograph-Multigraph Corporation, Cleveland 17, Ohio.

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TRADE-MARK REG. U.S. PAT. OFF.
SIMPLIFIED BUSINESS METHODS

Addressograph and Multigraph are Registered Trade Marks of Addressograph-Multigraph Corporation

Things move
more SMOOTHLY-

when your plant's in a
"CENTRAL" LOCATION



THE WATER LEVEL ROUTE

of New York Central follows gentle, low-level valleys between East and West ... affording maximum smoothness in the transportation of your goods.

THE ability to ship your products over the smooth Water Level Route is just one of the important reasons for locating your factory on New York Central. Other things, too, move more smoothly in this key area.

Here you will enjoy America's greatest concentration of industrial advantages. The nation's richest markets and largest seaports are here. So is 62% of its skilled factory labor. There's an abundance of low-cost electricity and pure water, while ready at hand is an unequalled variety of raw and semi-processed materials.

And linking them all together is the modern, 11,000-mile rail network of New York Central . . . equipped to deliver fast, dependable freight and passenger service that can be closely fitted to the needs of your plant.



Ask about plant sites on New York Central

The Industrial Representatives listed below have a catalogue of government-owned industrial plants in this area. They are also prepared to carry out surveys to find special advantages you may need. Let them help you find the right spot for your plant or warehouse... a location that will be "central" in every sense!

Industrial Representatives

BOSTON . . .	South Station . . .	A. E. CROCKER
CHICAGO . . .	La Salle St. Station . . .	H. W. COFFMAN
CINCINNATI . . .	230 East Ninth St. . .	G. T. SULLIVAN
CLEVELAND . . .	Union Terminal . . .	A. J. CROOKSHANK
DETROIT . . .	Central Terminal . . .	A. B. JOHNSON
PITTSBURGH . . .	P. & L. E. Terminal . . .	P. J. SCHWEIBINZ
NEW YORK . . .	466 Lexington Ave . . .	W. B. DALLOW

In other cities, contact our nearest Freight Agent.

NEW YORK CENTRAL

The Water Level Route



The Men's Wear Shop with *Eye-appeal* -inside and out-

turns passers-by into customers

The haberdashery that has been modernized with Pittsburgh Glass Products draws more people into the store, invites them to buy more goods. A trim, modern front, like this one in Brooklyn, N. Y., can stimulate sales, increase profits for you. Architect: Morris Lapidus.



Modernize now— increase store traffic— boost sales

A TRIM, modern front, a bright, smart interior, will draw more customers into your store, sell more men's wear, make more profit for you.

Many haberdashers—and other retail merchants all over the coun-

try—have built a new, more attractive sales personality into their store fronts and interiors with Pittsburgh Glass and Pittco Store Front Metal. By modernizing—inside and out—they have turned "lookers" into buyers, have widened their trading areas, increased sales.

Now is the time to modernize your men's wear store, inside and out, with Pittsburgh Glass Products. See your architect to assure a well-planned, economical design. Our staff of experts will be glad to

cooperate with you and with him. And if desired, convenient terms can be arranged through the Pittsburgh Time Payment Plan.

In the meantime, send the convenient coupon for a FREE copy of our NEW booklet, which contains data and photographs of actual installations of Pittsburgh Glass and Pittco Store Front Metal. You will find in this booklet a number of very practical aids to your remodeling plans.

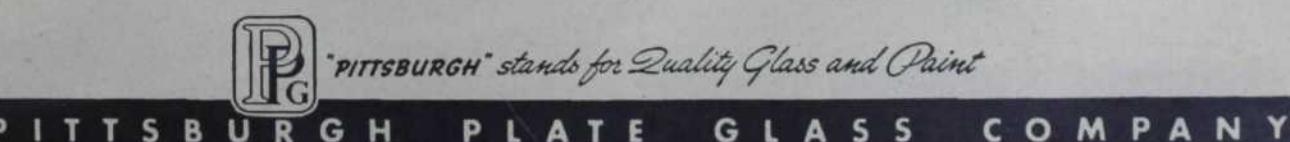
Pittsburgh Plate Glass Company
2143-6 Grant Building, Pittsburgh 19, Pa.

Please send me, without obligation, your new, illustrated booklet, "How Eye-Appeal—Inside and Out—Increases Retail Sales."

Name _____

Address _____

City _____ State _____



The flanged wheel on the steel rail

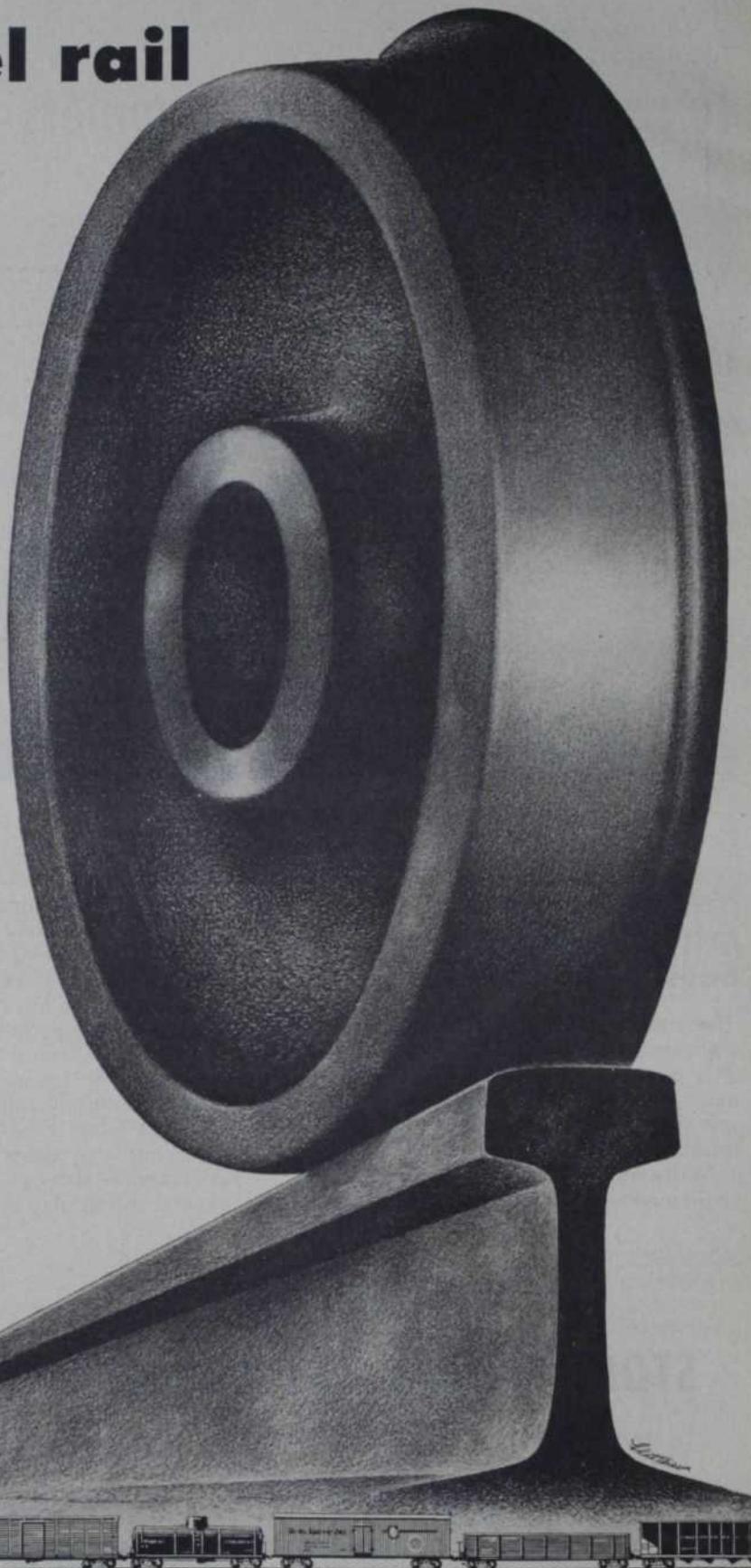
**Carries the output of farm, factory,
and mine—at an average charge
no higher now than before the war**

● Remember this picture of the wheel and the rail . . . the unique combination which makes it possible for railroads to run trains of cars . . . the only means of transportation with the capacity to meet America's major needs . . . in peace as well as in war.

Flanged wheels on steel rails, plus a vast volume of traffic, made it possible for railroads—despite steep increases in wages and costs in the past five years—to haul freight at charges which generally are no higher now than before the war. It still costs, on an average, less than one cent for hauling a ton of freight a mile.

Railroad charges depend upon both operating costs and traffic volume—but whatever changes the future may bring, the flanged wheel on the steel rail will still be America's basic reliance for dependable transportation at the lowest possible charge.

AMERICAN RAILROADS



"I Found 8 Words of Magic Power In This Ad!"



"They REALLY CUT my handling costs!"

"The words that caught my eye were 'Let me cut your handling costs in half!' I never paid much attention to material handling . . . except I knew in round figures about what it cost us to have a lot of truckers push, pull and tug our hand-trucked loads around the plant. It was something the boys in the plant handled, definitely not a pressing problem for management. At least, so I thought, until . . .

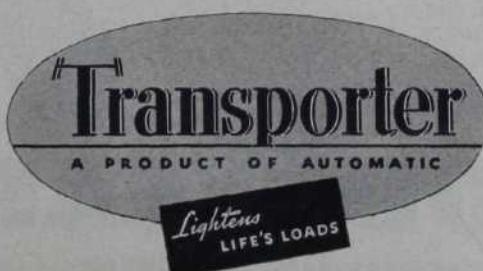
"The coupon I skeptically mailed brought an A.T.C. Specialist around to take a look at what we were hauling. It didn't take him long to show me that what we had put down as 'fixed expense' could be turned into 'fixed profit,' simply through the use of a miracle electric truck all industry knows as Automatic Transporter.

"It's a brawny truck all right, and it sure reduces the need for brawn in our plant. One man

or girl just guides and steers two to three tons with a nonchalant grasp of a handle, and the push of a button. Two of our three truckers now are doing more productive work. And everybody's happier. Management, because we've cut our handling costs in half. Labor, because it lightens their load, lets them work like men."

Put those 8 words of magic power to work for you in your plant. Mail the coupon.

Remember: Only AUTOMATIC Makes the TRANSPORTER



AUTOMATIC TRANSPORTATION CO.
Div. of The Yale & Towne Mfg. Co.,
89 West 87th Street, Dept. O, Chicago 20, Ill.

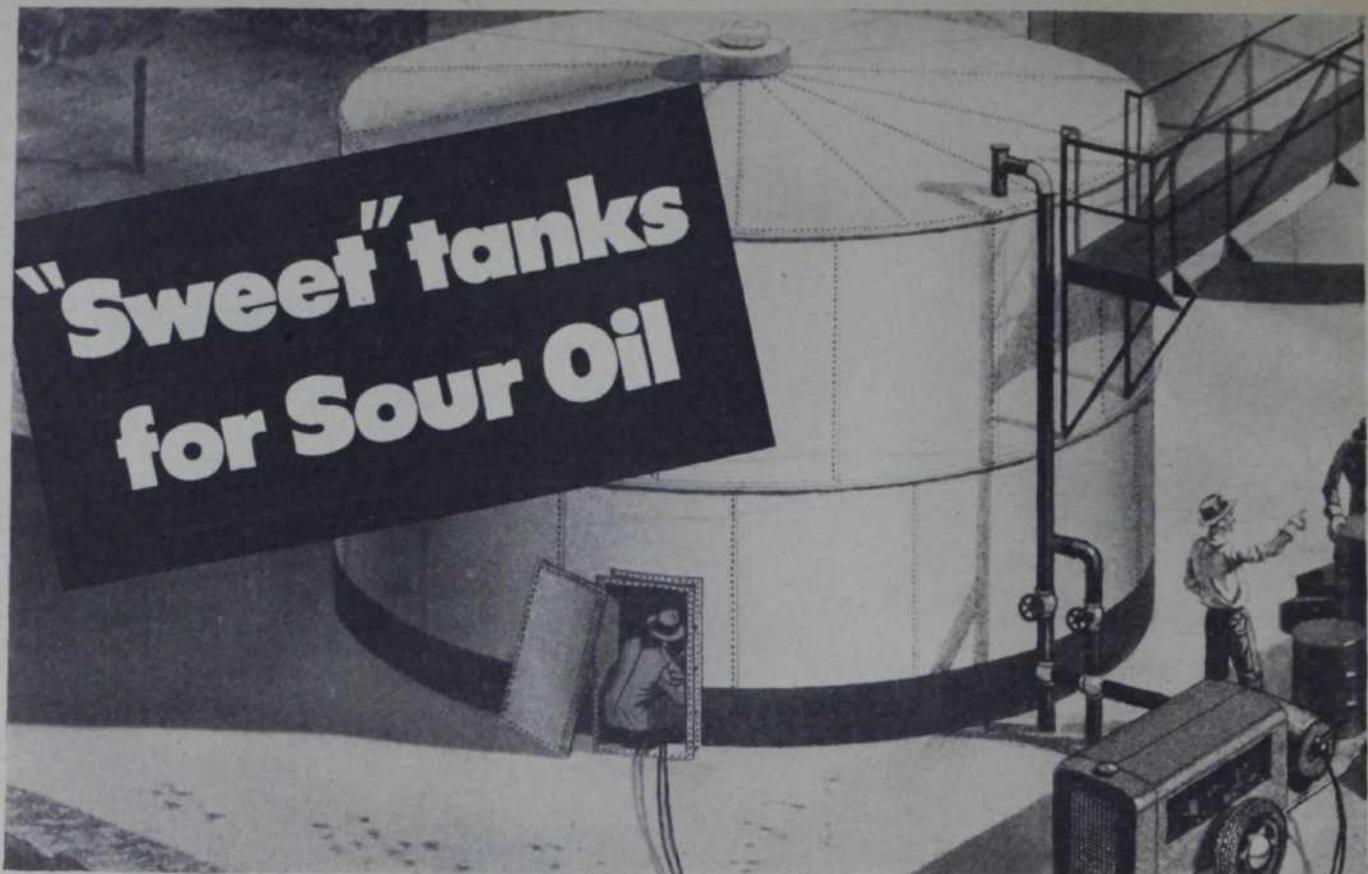
Please mail me, without cost or obligation, complete facts about AUTOMATIC TRANSPORTER, the Miracle Electric Truck . . . plus proof that it has cut handling costs at least in half.
 Have an A.T.C. Material Handling Specialist call.

Company Name.....

By..... Position.....

Street Address.....

City..... State.....



IN West Texas oil fields the crude runs sour, meaning it is acid due to a marked sulphur content. It is difficult to store — will quickly corrode and eat through the steel walls of the tanks in which it is held for delivery to the pipe lines.

For years oil men sought a tank lining that would neither soften nor dissolve in contact with crude oil, nor disintegrate prematurely from corrosive attack by acids in this sour oil.

Then one producer called in the G.T.M. — Goodyear Technical Man. His recommendation was Resoweld — a plastic lining developed by Goodyear Research that can be applied by spraying.

Two years ago a number of tanks were lined with a thin coat of Resoweld. Recent inspection showed no pinpoint perforations, no ulcerous sore spots, because Resoweld had bonded itself to the metal, sealing every tiny crevice impermeably.

It looks as though Resoweld may last three to five times longer than former linings, well repaying its original cost in elimination of maintenance and longer tank life.

Resoweld can be used elsewhere, too, with equal economy on ceilings, beams and other surfaces exposed to corrosive attack. Remember, Resoweld is only one of several Goodyear products designed to give

long-time protection against corrosion and abrasion from whatever source. To find out which will serve you best, consult the G.T.M. Write Goodyear, Akron 16, Ohio or Los Angeles 54, California.

Resoweld—T.M. The Goodyear Tire & Rubber Company

GOODYEAR INDUSTRIAL RUBBER PRODUCTS

G.T.M.-Specified

Resoweld Lining for Sour Oil Tanks

A Resoweld lining
B Metal tank walls sealed from chemical attack

FOR BELTING, HOSE, MOLDED GOODS, PACKING, TANK LINING built to the world's highest quality standard, phone your nearest Goodyear Industrial Rubber Products Distributor.

GOOD  **YEAR**
THE GREATEST NAME IN RUBBER

MANAGEMENT'S *Washington* LETTER

A last minute roundup by a staff of Washington observers of government and business

► GENERAL BUSINESS OUTLOOK is darker, not brighter. It's going to be harder to do business in the next 30—perhaps 60 or even 90 days—than in the past 90.

Difficulties will not apply evenly, but that's the general picture.

Three major factors stand in the way of a stable business outlook. All three create confusion, uncertainties, that rob business men of any normal basis for planning, buying, selling, or nearly any other move in the immediate future.

Topmost of the instability-making factors is OPA, and its future. Don't plan on OPA being tossed overboard—completely.

Don't misinterpret OPA ground-giving (particularly its recent relaxations) as indication of policy change. It isn't.

It's appeasement, on the part of Chester Bowles and Paul Porter. They are giving ground where they think they must to save price control at all.

They are riding with the punches to avoid a knock-out blow.

Therefore their actions offer no firm basis for policy makers in lines affected by that agency.

Another contributor to the shifting, uncertain outlook is the question: How much of the War Powers Act will Congress continue for President Truman?

Don't forget that much "managed economy" strength, much "stabilization" authority, as well as many allocating powers, stem from this Act, also up for extension.

So you may well apply the present OPA action-pattern to fields covered by War Powers.

Third factor is housing. Uncertainties in this field have brought the country's huge construction industry almost to a standstill. Lumber production is reported at lowest level since 1936.

Composite construction costs are highest since 1921.

Yet Government announcements indicate higher wages in construction lines, lower cost homes for veterans.

Until Congress acts and President Truman approves legislation on all three factors the unstable outlook will continue.

The next 30 days will be further confused by the battles.

You may expect increasing shortages of basic raw materials, finished equipment, even routine business supplies.

Remember, the reconversion job isn't done. Shortages are holding up reconversion, which in turn holds up finished products, supplies.

► MANUFACTURED GOODS prices are headed for a steady rise. Average increase from now to year's end will be about 15 per cent. Possibly under that, but not much.

That's an over-all view. Rise in some lines will go as high as 25 per cent. In a few there will be none. It will vary among industries and individual firms.

Forcing the rise is the upswing in labor costs, which will be partly absorbed by increased productivity.

Applied to cost-of-living, this means a rise of 6 per cent this year.

► BEST BET on fate of OPA: It will keep its initials but after Congressional action they will mean Office of Price Adjustment.

That means higher prices to stimulate production, abandonment of cost-absorption and maximum average price rules.

Paul Porter tells friends prices should be based on current costs, not on theoretical 1942 levels.

"But," he adds, "I don't make policy—I only take orders from above."

► MULTIPLE ORDERS by wholesalers, jobbers and retailers have distorted civilian demand until government stabilizers no longer can measure actual shortages.

Frantic for merchandise, retailers place the same order simultaneously with six or eight prospective suppliers. Then, when OPA asks for unfilled orders in a given industry, it gets a report two to five times the actual demand.

That's why every industry thinks it's four to eight months behind. If the goods actually began to move, the pressure would be off. But, meanwhile, mountains of unfilled orders make a welcome "inflation potential" behind the campaign for extension of OPA.

► OPA JOKER in automatic price adjustment formula for hard goods is provision that in no case may the new ceiling price exceed current unit cost plus a profit "equal to ONE-HALF that realized by the industry during 1936-39."

Manufacturers resuming civilian pro-

duction after a wartime interruption may not even apply for automatic adjustments of their prices until they have been back in production at least three months.

► CIVILIAN HARD GOODS are scarce because most steel mills are booked solid through October on both hot and cold sheets.

Reconversion orders delayed by the strike are now piled up behind priority allocations for veteran hospitals, government housing, and emergency directives for overseas rehabilitation.

In tin plate and stainless steel, production is booked solid through remainder of '46.

Your business plans should begin with the question: "Can I get the steel—and when?"

► LUMBER INDUSTRY believes 1946 first-quarter production was smallest in ten years, principally because price ceilings do not cover actual costs for many smaller mills.

Civilian Production Administration estimates '46 requirements at 36,000,000,000 board feet; first quarter production was at annual rate barely approaching 25,000,000,000 feet.

► BUILDING MATERIALS are booked three to twelve months ahead.

Hardwood flooring is six to ten months behind demand; brick inventories are 15 per cent of normal, with orders booked four months ahead of current production; structural clay inventories are 12 per cent of normal; cast iron pipe is 12 months behind; nails will continue in short supply until July; heavy strike backlog in iron and steel places hardware, screening, heating and plumbing fixtures four to six months behind.

Commerce Department survey hints the scramble for materials may leave many projects half finished this summer.

► WOOL CLOTH is booked about three months ahead of production, with prospect that adequate supply won't hit the market until late '46.

Difficult price pinch has delayed reconversion of many woolen and worsted plants.

► Average hourly earnings are 90 per cent above 1939, and raw wool up 60 per cent, while fabric prices move only 70 per cent higher.

Drastic conservation program in clothing this summer is the public's best bet against a distressing shortage next September.

► DOMESTIC MINERAL SUBSIDIES must be continued beyond June 30 if adequate copper, lead and zinc are to be supplied for reconversion, says Senate Small Business Committee.

Removal of price ceilings would entail a sharp increase in all three metals. About 3,100 higher cost mines have been collecting the production subsidy.

► THREE WEEKS after 1918 armistice President Wilson told Congress: "Our people do not want to be coached and led. They know their own business.... Any leading strings which we might seek to put them in would speedily become hopelessly entangled, because they would pay no attention to them, and would go their own way."

That doctrine, broadly, is the common meeting ground for the new "coalition" in Congress.

► LEND-LEASE TO RUSSIA built up the mightiest military power in Europe.

Final tabulations show Russia got \$3,000,000,000 in military equipment and \$5,000,000,000 in foods, textiles, machinery, and chemicals.

During war all export classifications were military secrets.

Basic equipment for Stalin's new five-year plan included 1,000 locomotives, 9,000 freight cars, \$28,000,000 worth of steel rails and \$10,000,000 in spare wheels and axles.

Russian merchant fleet was established with 114 cargo vessels given under lend-lease.

On cash basis, Russia took \$25,000,000 in U.S. industrial machinery and equipment in 1939, but needed over a billion dollars' worth of these items under lend-lease in 1944.

Although lend-lease to other Allies was stopped immediately at war's end, Russia continues to get about \$300,000,000 worth of materials.

Official explanation is that it's a credit sale of goods and equipment stored here in Russia's name.

► RUSSIAN TROOPS supervise 250 miners working the Czech uranium deposits—the only such field in Europe. Product is shipped to Russian occupation zone in Germany.

► ATOMIC SECRETS have leaked to other nations; but U.S. plants, now operating, couldn't be matched elsewhere in three to five years.

Railroads hauled 150,000 carloads of materials to build U.S. atom bomb plants and bombs. That's a thousand 150-car

trains. All Europe hasn't that much rail equipment.

► LEON HENDERSON, spark plug of the original OPA, is being pushed for a berth on the National Economic Advisory Council, created by the new stable employment bill.

Managed economy experts are reported in Senate to have Chairman Hannegan's support for appointments satisfactory "to the liberal element." Nominations are subject to Senate confirmation.

Others urged by planners include Robert Nathan, former WPB chart maker, and Alvin Hansen, exponent of government spending for a "compensated economy."

President hopes to have the new council approved before Congress adjourns in July.

► CRISIS IN ANIMAL FEEDS is keeping Secretary Anderson's thinkers awake nights. World "famine" scare impels many farmers to hold grains. In some important dairy and poultry areas, commercial feeds are in about half normal supply.

Distress liquidation of flocks and herds helps meat supply, but brings grim protests from breeders.

New high-extraction flour order diverts about 150,000 tons of animal feeds every month to human consumption. To this extent, the darker bread we eat today is next year's beefsteak, milk, or eggs.

► STANDARD SPECIFICATIONS needed for trade practice agreements and similar cooperative arrangements will be more readily available through Commerce Department's new division of commercial standards.

New set-up will work in closer harmony with American Standards Association, particularly to reduce parallel work and multiple costs.

► WALLACE'S PATENT COMMITTEE recommends a new type of limited protection for inventions not yet ripe for commercial application. Formal government publication of these ideas through Patent Office would afford dormant protection, but short of full patent rights.

Such revision of procedure would clear decks in the Patent Office for quicker action on more significant inventions.

► WASHINGTON'S TENDER INTEREST in small business is more vocal than active. Of 477 small-business bills introduced in Congress since 1933, only 36 became law.

► U.S. ROAD BUILDERS are bringing 21 engineers from Latin America for a year's training in highway construction. They will visit principal equipment plants; work eight months on new projects under state highway commissions and equipment makers; study traffic control at Yale.

Future highway administrators throughout South and Central America then will have at-home familiarity with U.S. equipment, methods, and engineering techniques.

► DIPLOMATIC REPORTS say Turkish army is fully mobilized. Ankara Government maintains a 20-mile secret "military zone" along the Persian border—a tinder box for UNO Security Council's first meeting.

For an early progress report on Churchill's proposed Anglo-American military alliance, watch the Mediterranean from Gibraltar to Suez.

► VACATION TOURIST TRAVEL this summer will move in on hotels already bulging with hang-over war business.

Business and fraternal conventions also are in full swing again.

► WASHINGTON BRIEFS: Production of auto tires and tubes is abreast current demand, but normal dealer inventories still are ten months forward....Political disturbances in Malaya and Dutch Indies have wrecked tin expansion hopes; U.S. reserves at end of '46 will be reduced to 4 months' supply....Army will "plant" samples of every basic metal, textile and plastic in Bikini Atoll to test effect of atomic explosion on standard military equipment (including Spam?)....Cuba recently sold 100,000 tons of sugar to Chile at 7.5 cents a pound; U.S. pays 3.67 cents....Capitol Hill expects a blasting report soon on intensified Communist pressure within U.S. labor; tentacles of "party line" campaign reach into Labor Department and NLRB, investigators charge....Military engineers expect that in two years the \$137,000,000 Stilwell Road in Burma-China will be reclaimed by jungle beyond all trace....Secretary Wallace predicts that within another year atomic energy will be harnessed successfully for peacetime work....NLRB ruling qualifies foremen for union membership under Wagner Act, a key demand by John L. Lewis in previous coal wage negotiations....Food men protest that "co-ops" are getting priorities at government surplus sales....As a Senator puts it: "If we could isolate Washington for 60 days, the U.S. would get going."



Resources... **TO SPEED THE PACE OF PROGRESS**

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For many years, the Philadelphia National—Pennsylvania's oldest and largest bank—has cooperated with hundreds of banks throughout the country to help commerce and industry take advantage of and widen their opportunities.

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TRENDS



OF THE NATION'S BUSINESS

The State of the Nation

THE advent of spring is ending "the winter of our discontent." This year, climatic severity has emphasized the profound physical and psychological dislocation of the change from war to peace. Except for the admirable self-control shown by the great majority of Americans, this upheaval might have been far more disturbing.

As the pattern of the postwar world takes shape, these same thoughtful citizens are more and more concerned with the American contribution therein. It is realized that the period of history ahead will have little in common with the prewar era. Nobody talks about a "return to normalcy." But simultaneously it is clear that the country opposes a change which would substitute coercion of any kind for free cooperation.

Our war effort, though tremendous, was affirmative in a somewhat negative manner. It was exerted to destroy the national socialism of the Axis Powers rather than to build anything of that character at home. There has been, and continues to be, strong popular support for greater intergovernmental cooperation on the part of the United States. But, as UNO has been developed, it is organically a modified reincarnation of the old League of Nations, with American membership and special privileges for the five permanent members of the Security Council. So the outstanding political problem of the postwar world is the relationship of these five responsible nations to each other, rather than to UNO itself.

Two of these nations—the United States and Russia—now stand head and shoulders above the rest in terms of physical power. The development here is relative as well as absolute. Both the

United States and Russia are stronger, in a material sense, than they were in 1939. And both appear even stronger than they are because all the other former Great Powers—not only Germany, Italy and Japan, but also France and Britain—have been either ruined or grievously weakened by the war.

Non-European Nations are Dominant

The emergence of the United States and Russia as the supreme political aggregations is the more important because they represent wholly different ideals of human life, and because neither is European in its thinking. Of course both nations have been historically associated with that continent, the one through the ancestry of most of its people; the other by geographical propinquity. But Americans, for 300 years, have been developing ideals of republican democracy on which many Europeans have always looked askance. And Russians, for an even longer period, have been accustomed to Asiatic forms of despotism which Christianity early expunged from Europe.

For centuries the world's political center of gravity moved narrowly along the short curve running through London, Paris, Rome, Berlin, Vienna and Madrid. Now it oscillates wildly along the gigantic arc from Washington to Moscow. Americans are beginning to realize that, if we are to have international political stabilization, the center of gravity must eventually settle somewhere. Lacking world government, which UNO does not provide, the eventual location must be either within the zone of Moscow, or within that



The car they left behind

● Of course, you say . . . why would they burden a streamliner with a carload of iron? Exactly! Yet, even the crack Limiteds *did* carry just such a burden for years — till *arc welding* reduced the weight of the average coach by more than 30,000 pounds!

Gone from the new coach are the rivet-studded plates of iron . . . the countless braces required by old-style fabrication methods. Gone is the needless mass in body and frame . . . replaced by stronger, lighter construction of rolled alloy steels.

To bring about this transformation, car builders sought welding electrodes best suited for the job. They found them at P&H. For P&H has long done this same kind of work in its own plant, in the all-welded fabrication of road machinery, excavators, overhead cranes. Here

is the *user experience* that assures better products from P&H, the *maker* of arc welding equipment.

To the transportation industry . . . to *all* who seek new production economies . . . P&H now offers America's most complete arc welding service, including A.C. and D.C. electrodes, A.C. and D.C. machines, welding positioners, electric hoists, and Production Welding Control Systems.

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of Washington. During the war it was desirable to emphasize the points in common—and they are numerous—between Russia and the United States. Actually, however, the resemblances—of population, mass-production methods, engineering techniques, natural resources, cultivated acreage—are all superficial.

The differences, in the basic conception of man's relation to his Government and to his God, are more significant. Close cooperation between the United States and Russia is, of course, important. But it is even more important that the United States, as the now lonely heir of the great Liberal Tradition, should not interpret cooperation in terms of the surrender of its own political and moral philosophy.

Friendship is impossible without understanding. So friendship with Russia involves understanding of Russia—its adventurous history; its noble literature; its extraordinary political capacity, of which the latest instance is the skill with which the inlay of Communism has been hammered onto the matrix of Oriental despotism. The more one learns of Russia, the more certain the conclusion that our form of democracy will not readily find footing there. But, while American ideals find no expression on Russian soil, Russian ideals are vigorously promoted here.

It is part of the Liberal Tradition that we should tolerate this one-sided procedure. But it would be the death of the Liberal Tradition if we should accept the theory of dictatorship, whether voiced in behalf of the Proletariat or of any other group, as preferable to our own heritage. "The importance of the history of a country depends," says Buckle in his *History of Civilization in England*, "not upon the splendor of its exploits, but upon the degree to which its actions are due to causes springing out of itself."

Man is More Important than the State

Unless our actions give reality to our conviction that Man is more important than the State there is no philosophic reason for an independent America. If we lose faith in human perfectibility, under divine guidance, all of us might as well follow the lead of our Communists and take orders from Moscow, because it is there that the theory of individual subordination to governmental dictatorship has reached perfection. To preserve the Liberal Tradition, moreover, will not be easy, since it is essentially a spiritual matter and not a material possession which can be defended by armaments or the display of physical force.

During the past winter, many Americans have been giving serious thought to the very real issue of whether or not our form of government can be preserved. If this is our objective, we must shake off the effects of wartime indoctrination. We must

face up to the necessity of a real regeneration in national thinking, a re-conversion of the individual as well as of the factory, an emphasis on good management, and freedom from officious "directives," in intellectual and spiritual as well as in commercial life.

Important in itself, this renascence of individualism is doubly so because of the wholly novel character of the postwar world in which there are only two Great Powers, with the direction of human destiny at issue between them. The future rivalry between the United States and Russia need not be bitter, but it is well to realize that the rivalry is fundamental. For the unmistakable—and wholly reasonable—long-range objective of Soviet Russia is to spread Communist ideology over the entire world. And the equally unmistakable and legitimate objective of the United States is to strengthen representative democracy.

A Conflict Between Ideas

The conflict between the divergent philosophies of the two Great Powers is at present wholly in the field of ideas, and should remain there. The major risk of serious trouble between the rival systems lies in the well intentioned but dangerously short-sighted attitude of those Americans who blindly maintain that no ideological rivalry exists. As Munich should have made clear, the danger of appeasement is that it conceals too long the existence of the vital issues which simply cannot be compromised. And, in relation to the rivalry of Karl Marx and John Stuart Mill, appeasement is unfortunately all on one side of the fence. It is impossible to cite a single Soviet leader who has ever publicly suggested impartial consideration—let alone advocacy—of the economic and political systems which have made the average American so fortunate a person.

With the passing of the first postwar winter, the natural clarity of American political thinking is beginning to replace the emotional confusion of the wartime period. In limiting the scope of government; in applying the Golden Rule to industrial relations; and in recalling that all true Authority is of divine origin—the American people are reasserting the values which made this nation great.

In consequence there is good reason, this April, to look upon the reborn beauties of nature with optimism and satisfaction. As spring renews the physical beauty of our country, so also it can reanimate for us the immortal principles which really made America a land of freedom. For that end, however, individual effort is essential.

FELIX MORLEY



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The U. S. and World Affairs

AT THE HEART of the violent argument about reorganization of the American military set-up is the crucial fact that sea power has lost much of its former strategic importance. Even retired admirals no longer insist that navies are a nation's first line of defense. That line has been shifted to the skies. This decline of sea power has far-reaching effects on the trend of world affairs. It has upset familiar power relations among all countries and is forcing a reshuffle of the cards of empire.

British leadership, during the two centuries of its world ascendancy, rested on British primacy as a naval nation. Control of the seven seas made possible an empire on which the sun never set and insured its security. Naval bastions like Gibraltar, Malta, Singapore, Hong Kong, were the proud symbols of British dominion. Now, with naval force reduced to a secondary role at best, the empire is left to a large extent defenseless, a prey to native independence movements and to the imperialist ambitions of other countries.

There we have the deeper explanation for the challenge to the British empire now on view in the Mediterranean and the Middle East, in Africa and the Far East. A Pan-Arab movement, with a flirtatious eye on neighboring Russia, cuts into British control and prestige in the Moslem world. Indian separatist demands are being continually stepped up. The brown peoples of the Pacific—witness Indonesia—are feeling their nationalist oats; the Dutch and French empires, in the ultimate analysis, were also guaranteed by British naval might.

The number one challenger, of course, is Soviet Russia. There is nothing specifically Bolshevik about this. Czarist Russia for generations made forays into British spheres; the Crimean War was part of this long-drawn duel; Persia was split into Russian and British spheres of influence up to 1917; both Japan and Russia learned to play the British lion against the Russian bear and the other way around. An injunction to his successors to "approach as near as possible to Constantinople and India" is widely credited to Peter the Great.

Moscow Has New Strength

But never before have the cards been so neatly stacked in Moscow's favor. Of the other two Great Powers emerging from the war, Britain is in tight economic straits and abnormally conscious of its

TRENDS



weakened military-strategic position, while the United States is basically continental in temper and fighting shy of global expansion.

The Soviet-made uprising in northern Persia is a Russian thrust toward the Persian Gulf. The Kremlin's war of nerves against Turkey is really aimed at Turkey's ally and patron, Great Britain. Soviet pressures for bases on the Dardanelles and in the Dodecanese Islands and for exclusive trusteeship over Italian colonies in north Africa, if they achieve their purpose, will make the Middle East and India more dependent on Russian good will than on British empire.

These are some of the consequences of the atrophy of sea power. Hereafter empires of global scope will have to be guaranteed in the first place by control of the skies rather than control of the seas; atomic weapons do not alter this fact since they, too, will travel through the air. The British Isles do not have the resources, population or spaces for a supreme aerial force. Only the United States and Russia have what it takes.

New Empires Will Fill In

The importance of these facts for the future of America can hardly be exaggerated. Sentimental opponents of imperialism who applaud the decline of British empire forget that history, like nature, abhors a vacuum. Where Britons retreat, other dynamic nations will advance. New empires will arise, no doubt in new forms. Old-style domination through armies of occupation will, in many instances, give way to domination through subservient "friendly" regimes. The familiar imperialist expansion by direct military conquest will be supplanted in some places by imperialism via ideological quislings—a process in which Hitler was past master.

But the vacuum will be filled. Unhappily the choice is not, as the sentimentalists assume, between imperialism and independence for colonial peoples. It is between the totalitarian imperialism of Russia and the more or less democratic imperialism of Britain; between the imperialism imposed on Poland or Yugoslavia and the one imposed on Canada or South Africa. (Even India is headed for an autonomous status.)

Granted that the United States has no vast imperialist plans or appetites itself, it cannot remain indifferent to the great game of empire now under way. If the problem were simply to decide whether this or that area should obtain "freedom," it



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would be readily solved. But it is rarely that simple. Up to a point we can act as mediator and balance-wheel. Beyond that point we must take sides—and in a situation where the advantages are largely in the Russian scales, an American do-nothing hands-off policy also amounts to taking sides. No amount of Pollyanna rhetoric can obscure this fateful fact.

The only substitute for British naval might is American air power. Unless we are willing ourselves to fill the vacuum by building a world-wide American empire, the alternatives seem sharply defined: to bolster the British Commonwealth or to support, by action or inaction, the spread of the Russian empire of the totalitarian variety.

It may well be that the fate of mankind hinges on the American decision. In economic terms we have already indicated our instinctive and traditional preference, through the negotiation of a four-billion-dollar loan to Britain. Whether and how that preference will be further expressed will shape the history of our epoch.

Latin America's Industrial Urge

Behind the shifting political events in the countries south of the Rio Grande there is a substantial and enduring economic fact: the slow but sure industrialization of that vast area. Economic development in Latin America is, of course, minor when measured with American yardsticks. But it has been greater in the past 40-odd years than in all the centuries that preceded—and the process has been sharply accelerated by the war. In many respects the Latin Americas are economically in a historical stage not unlike the United States just before the Civil War.

Though still essentially a source of foodstuffs and prime raw materials, Latin America has been made conscious of its industrial potentials by the war. U. S. lend-lease and some private American financing built factories in that area to supplement our own war production, and most of them will remain. A great many items for civilian use, having been cancelled out in the U.S.A. by the war emergency, were manufactured for us in Latin American plants. Thus new industries have been created, new skills have been developed among native workers, new appetites for factory-made goods have been aroused.

Two other factors have played a part in stimulating Latin American industries and are likely to play a continuing role. The first is the influx of European refugees, bringing with them substantial capital, business acumen and technological experience. The second is the advent of air transport, linking all parts of Central and South America and making rich sources of industrial materials accessible for the first time. Some of our southern neighbors are simply skipping the railroad-building stage of development, with a con-

sequent speed-up in the tempo of industrialization.

Those who continue to view Latin America simply as a market for consumer goods, ignoring its urge to industrialize, will be at a disadvantage in the unfolding contest for Latin American trade.



OF THE NATION'S BUSINESS

Billions for Russia?

The likelihood of long-term collaboration between Soviet and non-Soviet economies is scarcely advanced by Generalissimo Stalin's recent speeches. He and his principal associates have gone out of their way to deny the possibility of that collaboration. Without exception they have knocked the one-world idea on the head with sledgehammers. Instead they stressed the "capitalist encirclement" in which the Soviet Union lives and the consequent need for "Bolshevik vigilance," stepped-up military preparations and rapid expansion of heavy or war industries as insurance against "any eventuality."

Indeed, these speeches have been so blunt and uncompromising in their reconfirmation of Moscow's traditional attitudes toward the outside world that one is forced to conclude either that Stalin has given up all hope of any special American loan requiring Congressional approval or that a billion-dollar loan through the Export-Import Bank is too low a price to pay for cooperation.

As the first comprehensive policy statement since the end of the war, Stalin's statements are no less significant for what he pointedly failed to say than for what he did say. There was in it not a word about cooperation with capitalist countries or about the UNO as an instrument of peace; not a word of reassurance to the non-Soviet world on the matter of world revolution. He has used almost "Trotskyist" language, without a hint of conciliation with the "capitalist encirclement."

According to Stalin's analysis, the two World Wars grew "inevitably" out of the crisis bred by the "monopoly capitalism" that is still rampant. Only "periodic redistribution of raw materials and markets," he argues, can prevent new world conflicts—"but this is impossible under the present capitalist development of world economy."

Those Russian speeches are clearly in the spirit of the new party line of the American Communist Party, which has reverted to the shrill militancy and systematic mischief-making of its earlier years. As background for commercial collaboration—guaranteed, when all is said and done, by international good will and cooperation—the picture is not exactly encouraging.

EUGENE LYONS

Up From OKLAHOMA



With the Lessons of the West

Reading Time: 1 minute, 42 seconds

"It was Cowboy and Indian country alright, with white haired Col. Cody and sharp-shootin' Pawnee Bill our biggest citizens—their famous Wild West Show telling our story all over the world.



"My mother taught school to Indian and white kids alike. She taught us hard. Urged us to 'get up and out' and keep on going and that someday we'd get somewhere. One of those Indian kids is a banker now, and maybe I've gotten somewhere myself.

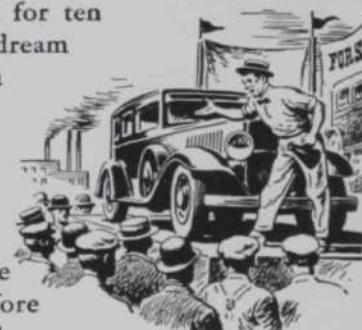
"I hit Detroit after years of tough work, following the cattle trails and the harvest crews. Detroit was a quiet town on a big blue river, with pretty homes, lovely trees, and long quiet streets. I got a job in one of the brand new plants owned by the new auto pioneers.



"Oklahoma stayed in my blood and so did all the lessons of the West. I put up my own show across from our factory gate. A brand new automobile was my 'main attraction.' As a salesman between shifts I

worked hard and I sold a lot of cars. The manager said: 'Keep it up, kid. We need good showmen like you, and so does the public.'

"That's my story in a nutshell. I kept at it in one job or another for ten years and then my big dream came true. I became a full-fledged automobile dealer,—selling DeSoto and Plymouth cars. My showplace is now a fine modern \$40,000 building on the best street in town. Before the war, we used to sell more than 1500 new and used cars in a year. During the war we maintained a bang up service shop to take care of our old friends and customers.



"We don't do any Wild West shootin' around our place, but we'll be doing plenty of riding again soon, with the war over and beautiful brand new DeSoto and Plymouth cars back on the market."



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K E E P O N B U Y I N G V I C T O R Y B O N D S

Washington Scenes

THE first anniversary of Harry S. Truman's accession to the Presidency brings to mind a statement he made about that exalted office before he moved into it. It was early in the '44 political campaign, and Democratic orators were trying to achieve two things—combat the Republican cry about the "tired old men" and emphasize the need of experience in the White House. The overall strategy was to arouse in the voters a fear of "untried hands," meaning, of course, those of Mr. Roosevelt's opponent, 42-year-old Gov. Thomas E. Dewey of New York.

Said Mr. Truman, then the Democratic nominee for vice president:

"It takes time for anyone to familiarize himself with a new job. This is particularly true of the Presidency of the United States, the most difficult and complex job in the world. Even in peacetime, it is well recognized that it takes a new President at least a year to learn the fundamentals of his job . . ."

Well, what is the situation at the end of Mr. Truman's year? Has he learned the fundamentals? And what has the experience done to him?

New Attitude Toward Presidency

Taking up the last question first, one gets a surprising answer from Mr. Truman's close associates. The biggest change they noted in him in the 12-month period was the change in his attitude toward the Presidency. Along in mid-winter, they say, he finally realized that he was in fact the President. What's more, they add, he finally made up his mind that he was going to be the President, for three years certainly, maybe for seven.

Mr. Truman was genuinely shocked on that April Day in 1945 when he was told that Mr. Roosevelt had died and that he was the new President. His first statement to friends was, "Pray for me." Later on, during the so-called honeymoon period, he relaxed. So did the country.

One of Mr. Truman's startling off-the-cuff remarks in the autumn was revealing, though to many it seemed naive. Returning from a five-day excursion into the South, he noted the strikes and the threats of strikes around the country and said: "Now let's cut out the foolishness and all go back to work."

This remark, which astonished many in Washington, reflected Mr. Truman's honest feelings at the time. He had unbounded confidence in the United States and in its people. He reasoned that



labor and management had the same long-run interest—more production, more sales, more jobs. He was relying on their common sense to bring about a settlement of disputes through collective bargaining, the idea of fact-finding legislation not yet having entered his mind. He believed, and so

told White House visitors, that in his opinion the Government could never bring about any real understanding between management and labor—that in the long run this could be achieved only by across-the-table exchanges between representatives of those two groups themselves.

It was in this period that Mr. Truman remarked that he often forgot that he was the President.

New Difficulties for the President

The change in Mr. Truman's attitude, according to his associates, began around the New Year and became most noticeable at about the time the new wage-price scheme was drawn up and the way paved for a settlement of the steel strike.

It was a period when everything seemed to be going against the administration. The nation's economy was threatened with paralysis. Congress was uncooperative. A secret Yalta agreement, negotiated by Mr. Roosevelt, was released and shocked many idealists. The Pauley incident and its outgrowth—the noisy resignation of Harold L. Ickes from Interior—caused an even greater shock, and led many to think back to the Harding regime.

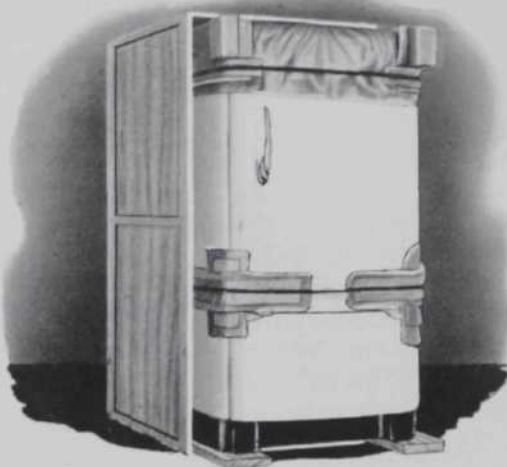
Mr. Truman's assertion of his leadership came at this very time. In the steel controversy, he found his position becoming intolerable. One of his economic advisers, it was reported, had gone so far as to deliver to Mr. Truman an "ultimatum."

This was too much. In a flash of his old artilleryman's temper, Mr. Truman reminded him and all others who needed reminding that he was, after all, the President of the United States.

He would take advice, yes, but dictation was something he wouldn't tolerate. At a dramatic meeting on Valentine's Day, he laid down the new program, and asked for—and received—a pledge of cooperation from all hands.

The result was magical. Squabbling gave way to soberness. In the days that followed, the chiefs of staff on the Government's economic front gave a

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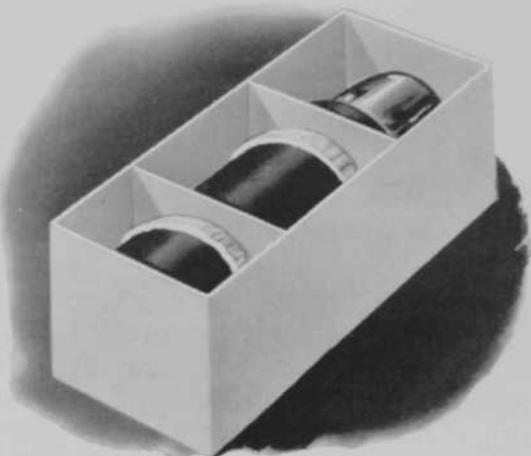
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fine show of cooperation, whatever their inward feelings.

What would Mr. Roosevelt have done in the steel strike? This was a question frequently asked in that tense period. It was asked, and answers ventured, in many places, including the White House itself.

"He would have pulled something out of a hat," said a newspaperman.

"He would have abolished all existing agencies and set up a whole raft of new ones," said a representative of management, adding that, as usual, he would have ignored his Secretary of Labor.

A man close to President Truman, when asked what he thought Mr. Roosevelt would have done, thought a moment and answered: "He would have declared an emergency—another one." And that, he said, was the chief difference between Mr. Roosevelt and his successor. Mr. Truman, he said, wanted to get away from emergencies.

It might be worth while to recall what some of Mr. Roosevelt's New Deal disciples wanted Mr. Truman to do—and what he emphatically would not do. Such a recital might be a guide to the future.

Conflicts Were Reconciled

In a general way, two groups were contending for the Truman ear. The largest and most vociferous was the one whose hero was Chester Bowles, then of OPA. The other was spearheaded—but quietly—by John W. Snyder, director of OWMR, sometimes called the "assistant president."

When the steel industry refused to meet the 18½ cent increase, without an equalizing boost in the price of steel, some New Dealers called for a crack-down policy from the White House. They urged Mr. Truman to take off the gloves and fight. They wanted him to do what they believed Mr. Roosevelt almost certainly would have done—go on the air, arouse the nation against the steel industry, and thus force a settlement of the strike. If that failed, they said, then Mr. Truman would have to order government seizure of the steel plants.

To their chagrin, Mr. Truman did none of these things. He never seriously considered seizing the steel plants, believing that such action would settle nothing. He would not subscribe to the theory that industrialists were engaged in a gigantic conspiracy to smash the labor unions. He told reporters he had no evidence of any such conspiracy.

In the end, there was a good deal of give and take as there must always be in a truly democratic system. Bowles got a new job, director of the Office of Economic Stabilization, and Paul Porter, an able New Dealer, moved in as head of OPA.

But the No. 1 economic adviser to President Truman continued to be John Snyder—this de-

spite a bitter, and oftentimes savage, campaign against him; a campaign in which he was called a tool and an appeaser of big business, a fumbler, an advocate of inflation, and a political innocent. At the height of the controversy, the story was spread that President Truman had decided to fire Snyder and give his job to Bowles.

Anyone who knew of the friendship between the President and Snyder knew that this had to be false. That friendship goes back to 1918, when the two men met in an artillery school in France. But friendship was not the only factor. Mr. Truman agreed with Snyder—and also with Bernard M. Baruch—that the only thing that could save the situation, head off inflation and establish any kind of price line that could be held, was production and more production.

Snyder's position was simple, however heinous it may have seemed to his critics. The situation, he insisted, called for a policy of flexibility on the part of the Government, not rigid stubbornness. Why? The answer, he said, was that the Government was faced, not by a theory, but by a condition. The steel mills were shut down and paralysis was spreading across the land. Already 6,000,000 tons of steel had been lost.

Wage Line Linked to Price Line

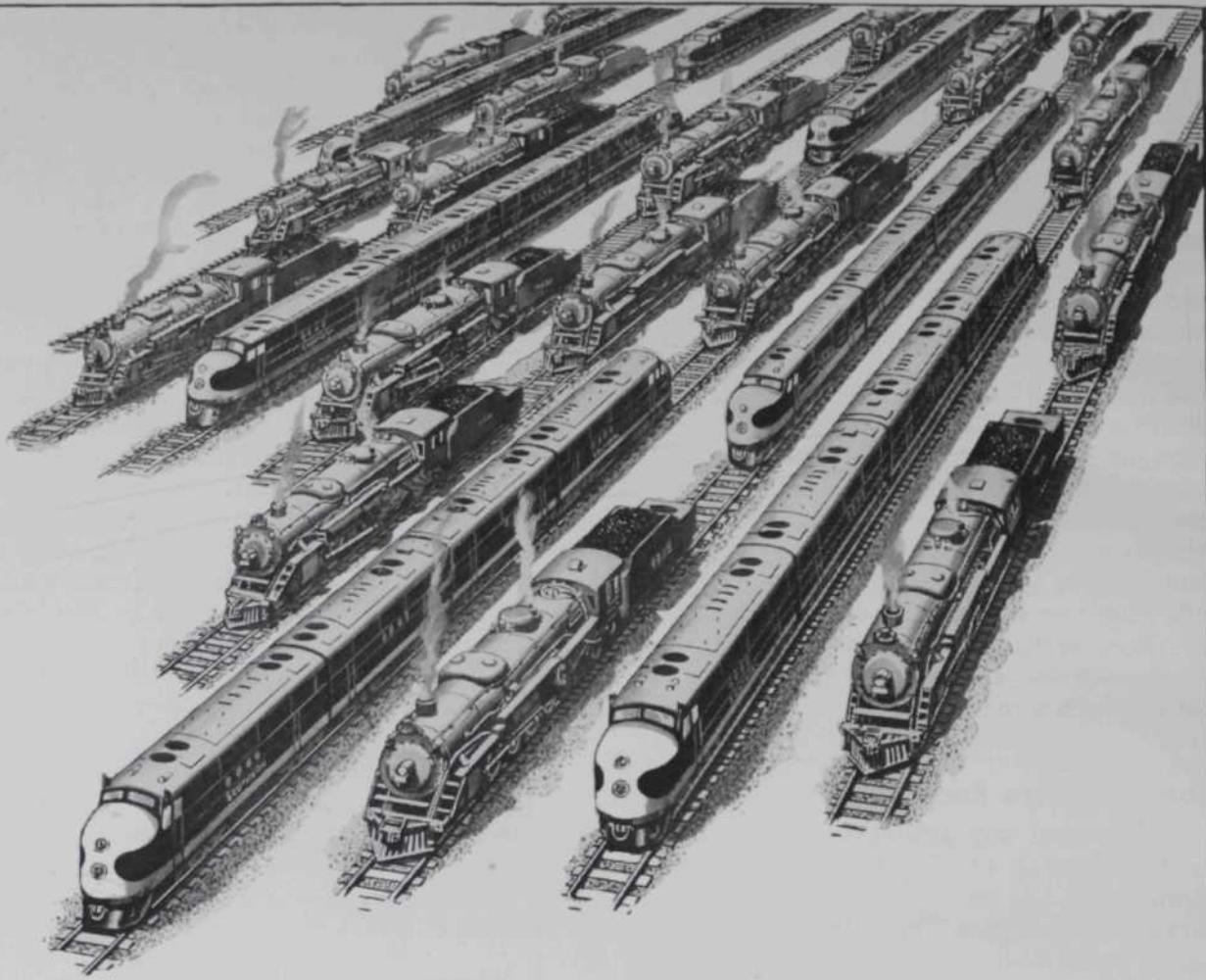
The theory had been, in the beginning, that a price rise of \$2.50 a ton was enough for the steel industry. Later this became \$4.00. But the fact—the condition that Snyder talked about as opposed to theory—was that the steel mills were closed; their owners were saying that they would not operate them at a loss.

In the end, the Snyder policy of flexibility prevailed, as was evidenced by the \$5 price increase granted to steel. President Truman's earlier declaration for "substantial wage increases without higher prices" was ditched. The wage line definitely was linked to the price line. Both Snyder and Bowles stated that they were satisfied with the new program, and set out in seeming harmony to make it work. Though few knew it, Snyder was most anxious that Bowles stay in the picture. He realized—and reminded Mr. Truman—that Bowles had become a symbol in the battle against runaway prices.

What of the future? President Truman is now reconciled to the fact that there never will be an end to "crises." Nevertheless, he is optimistic. The climate in the White House is certainly not unfriendly to business. As he faces his second year, Mr. Truman still is deeply conscious of the fact that he is the servant of all the people.



OF THE NATION'S BUSINESS



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The Month's Business Highlights

TRENDS



OF THE NATION'S BUSINESS

PRICES are certain to go up more than proponents of the Government's new wage-price policy will admit. There is nothing left for business and the public to do but make the best of it. Those with savings will have to take their medicine. Wage earners may benefit and they constitute the majority. Whether anyone benefits, however, will depend upon holding the new line—and it is a new line, regardless of efforts to term it only a bulge. It was bad not to hold the old line but there is a chance of defending the new position. If that line is breached the great spiral will mushroom upward to its inevitable collapse.

Inflation Will Hurt Us All

No one benefits from inflation, not even the speculator or the profiteer. Opportunistic members of Congress look forward only to the next election. If the economic machine later skids off the road they expect to be able to blame it on someone else.

In the wage-price fight Chester Bowles won many points. Mr. Bowles believes we have to return gradually and that hard fighting remains to be done. His position is that, after a war, controls cannot be dropped immediately—that the economy cannot be controlled one day and allowed to pass into complete freedom the next. In truth it was attempted. That effort failed. Steps had to be retraced.

What Is Most Needed Now

Now that the worst of the readjustment storm seems to be over the obvious next thing is to concentrate on production. Controls melt away when it begins to roll. In the meantime, properly administered controls should relieve distortions that press particularly on the people who have the most votes. If they are disregarded the foundation is laid for more drastic controls later. Controls now are more tolerable than they would be two years from now.

The Wage Stabilization Board, which is a sort of reconstituted War Labor Board, has a much more complex job than had its predecessor. It has to follow the general pattern. It has to know what has been done in local labor markets. The general pattern may be clear in steel but in many industries it is not plain.

Since the war many agreements have been reached without strikes. In many cases they were regarded as interim agreements await-

ing only the outcome of the big battles. Many of those settlements may have to be reopened. An epidemic of little strikes may replace the big ones.

Elimination of gross inequities in related industries poses a major problem in definition. Definition in the old War Labor Board was narrow in comparison.

There is a return to basic wage rates. There is no mention in the executive order of hourly earnings. The new formula administered in terms of rates has plenty of scope. It does not define clearly the line that must be held. How the Wage Stabilization Board will be able to handle its case load is another problem. Industrial relations suffer when there is delay in reaching decisions. At any rate, a mechanism is set up under which wages can be raised 18 per cent and price ceiling procedure liberalized.

The hope is that this policy may give at least temporary relief. The country's production potential is so great that, given even a few months of unfettered opportunity, goods will come crowding out of the big end of the cornucopia.

High Production Is Ahead

Retail trade ran close to an all-time high even in the worst of the strike period and even in the strike centers. In looking at the March and April figures of retail sales, do not forget that there was a great bulge in those months last year. Recent production records of many articles for the retail trade indicate what will happen one of these days in automobiles, refrigerators and durable household equipment. Radio production already is going places. Gas stations take on the aspects of land offices and all tourist centers have waiting lists. Distribution as a whole is doing more than specialists expected.

Complaints are so many when there is a general shortage that sight is lost of the progress being made in building material production. Deficiencies caused by the steel strike came at a time when they hurt construction most. Concurrent strikes in industries providing building hardware and brass helped to complicate the situation but, in the same period, the figures show notable increases in some of the other building materials including brick, cement, roofing, and gypsum products. Even flooring and some of the lumber products show an upturn despite the low output of the basic material.

With the end of the steel strike the index of



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industrial production began to take on new life. Incidentally, there is no guesswork about the volume of production. The Federal Reserve index covers the physical volume of everything produced except crops that do not enter into manufacture. It is amazing that the big strikes did not carry the index further down.

The strikes, however, did carry total production to a lower level than at any time since 1941. The impression, as this is written, is that the index now can move in only one direction and that is up. It is recognized, however, that a coal strike would affect industry even more generally than did the stoppage of steel production.

Labor has come into a new realization that it has a stake in keeping production at a high level. It profits the worker little to have more money only to pay it out in higher prices. Labor is beginning to appreciate that such a goal is no compensation for the sacrifices entailed in its attainment.

There is a feeling in Washington that, now that the new formula has gone into effect, the teams will play ball, stop bickering among themselves and quit abusing the umpire. The season already has opened.

The people in Russia are said to have been sold the idea that they must "starve themselves into greatness."

If the American way of life is to get results that compare favorably with those likely to be obtained in the USSR, Americans must be patient with temporary controls and sacrifices and must be intolerant of any interference with the machinery of production. Their salvation and the success of their system lie in large output.

Business Wants More Steady Prices

Business is interested in diminishing pressure on prices because cost of living stimulates demands for wage increases. One way to relieve a burden, particularly heavy on people who work, is to make more goods available at reasonable prices. Business depends on markets. Markets are undermined when prices keep rising.

So much talking has been done about production and prices that money itself has not come in for the consideration it deserves. All through the depression and through the war money was disregarded because it was quite properly secondary to prices and production.

Now that we have come back to a peacetime economy, money's relative importance to business is much greater.

There are those who think the Treasury was slow in recognizing that fact since it no longer had to offer anything to the market. It will do some refunding and sell some savings bonds but it will not have to borrow.

Under those conditions it was important for the Treasury to recognize that there should be

no bank buying of securities. When banks buy securities, additional money is created. There already is too much money.

Here was the picture as the first quarter was ending. A necessary step was to do away with some of the wartime measures by which the Federal Reserve offered inducements for banks to borrow or to sell short-time paper on preferential terms. To prevent the growth of money supply it was evident a change should be made in that particular. Money supply had grown to four times its former size. There was intense demand for goods. Goods were in short supply. That constitutes the ingredients of inflation.

The fact that money can be idle in a depression, when people do not want to buy, causes some to forget that, under present circumstances, money can become very active and very dangerous. That accounted for all the demand that the Treasury adjust its thinking to a peacetime basis.

From time to time wings and lean-tos have been added here and there to the present jerry-built tax structure. Congress would like to tear it all down and rebuild it entirely, but not in an election year.

To provide for the day when unemployment may arise some legislators want a reduction in corporate taxes even if it has to be made up out of additional levies on individual incomes.

Krug Will Strengthen Administration

Business and industry are expected to benefit by the addition of Mr. Krug to the Cabinet. Despite some New Deal leanings, he is a sincere admirer of the way American industry performed during the war. His conclusions are not generalities. He was behind the scenes in that show and knows at first hand what the production and distribution machinery turned out. To have a man of his type at the Cabinet table will strengthen the Administration.

Mr. Krug has come in for criticism from certain quarters because he, more than anyone else, was responsible for the early lifting of many controls. Those who resent the fact that the Administration had to reverse its policy are not hostile. They think Mr. Krug was carried away by youthful enthusiasm to restore normal conditions.

In taking the Interior job there is the possibility that Mr. Krug's thinking may be drawn away from the problems of business and absorbed by those of the fish and wild life, of grazing and of the territories and island possessions, which are among the responsibilities of the Secretary of the Interior.



OF THE NATION'S BUSINESS



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For some time now, this unit has been writing and distributing the thousands of United States Rubber Company's weekly, semi-monthly, and monthly salary checks. The National payroll machines not only make possible the speedy and efficient preparation and distribution of salary checks, but also collect and record the necessary tax figures. In addition, tax reports are prepared with these same machines.

National payroll systems produce a

payroll check which shows in printed figures the gross amount of pay, specific amount of each deduction, and net amount of check. They also produce a complete payroll summary and a detailed employees' earning record with the same printed data showing currently to date figures for tax purposes. On industrial payrolls, National machines can be used for distribution of labor costs by department and job.

There is a National accounting machine for every plan of industrial payroll accounting—large or small—and for all types of accounting in other businesses as well. Let a National representative examine your needs and make recommendations, without cost or obligation to you. The National Cash Register Company, Dayton 9, Ohio. Offices in principal cities.

Making business easier for the American businessman



National payroll machines in the New York office of the United States Rubber Company.

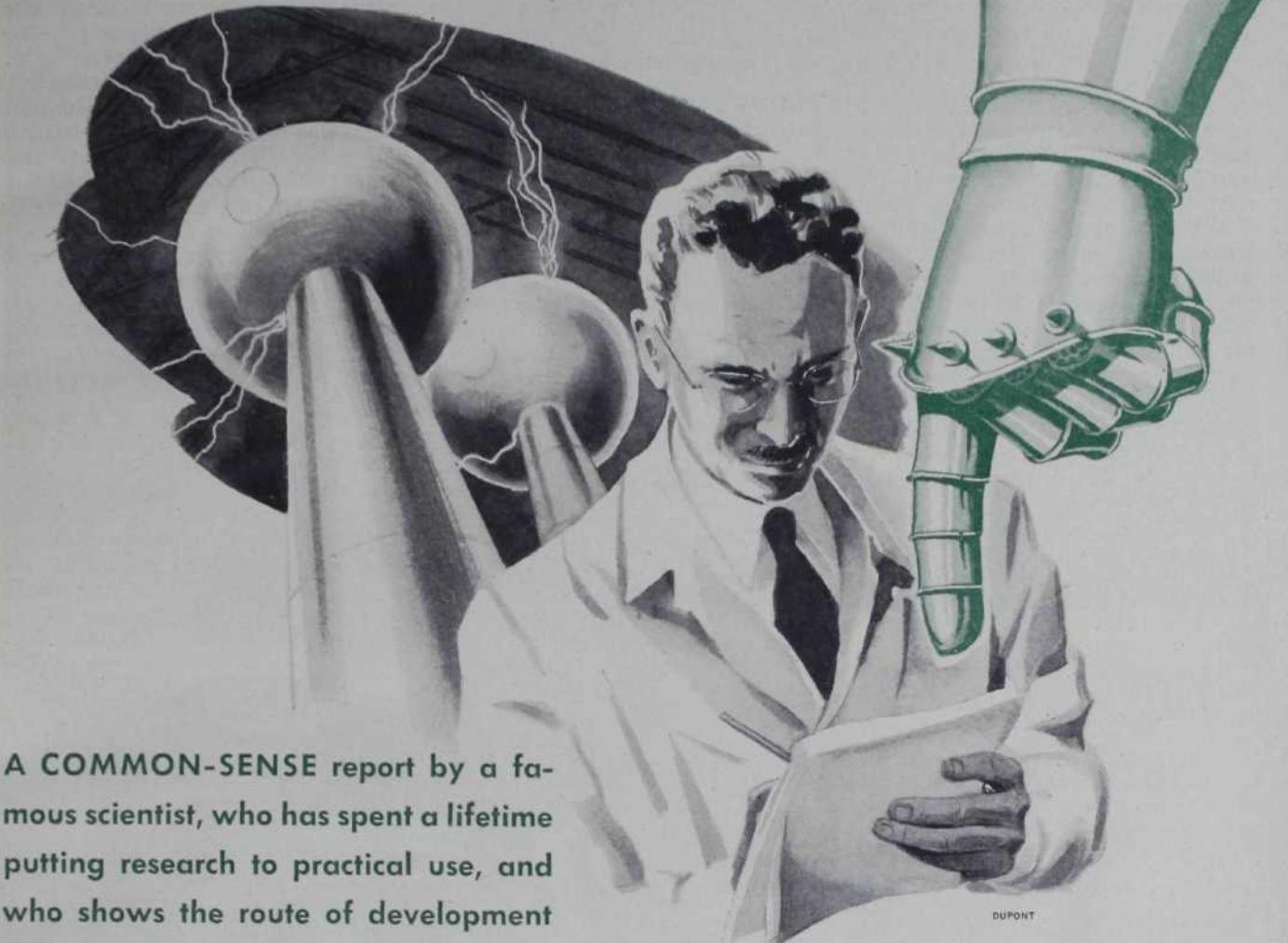
National

CASH REGISTERS • ADDING MACHINES
ACCOUNTING-BOOKKEEPING MACHINES

War Sidetracks Science

By CHARLES F. KETTERING

Vice President of General Motors



A COMMON-SENSE report by a famous scientist, who has spent a lifetime putting research to practical use, and who shows the route of development

THE PROCESS by which the results from inventions, research and developments are brought into general use is not very well understood. Several examples of how these things are accomplished will show that, while there is a general pattern, each one is different in specific application. Scientists, researchers, and inventors, down through the years, discover bits of information on the subjects in which they are particularly interested. Then someone comes along who finds that if he takes this idea and that discovery and puts them together with his own findings he has something else, and lo! something new is born. However, it must be borne in mind that these long time studies originally had no bearing on what the thing ultimately turns out to be.

As you read through these examples of how things are brought into general use, you will find this pattern very much in evidence:

First, a long period of discovery of fundamental, unrelated facts and then a shorter period of putting these facts together to obtain some result or device we call new. And when you think of new developments do not forget the long period of slow, patient fact-finding upon which they are based. New developments do not spring up in full bloom any more than do the flowers in your garden.

75 years to make a bomb

THE atomic bomb is the wartime climax of the efforts of hundreds of men and women of many nationalities, who have been patient-

ly at work on some phase of atomic research for the past 75 years.

In 1879 Sir William Crookes discovered that high voltage electricity sent through an evacuated glass tube generated a peculiar set of rays which he called "Cathode Rays." Later, Sir J. J. Thompson studied these rays and found them to be particles of negative electricity, which he named "Electrons." They are the lightest particles found in the structure of the atom.

In 1895, Roentgen discovered X-rays, which are produced by bombarding metal targets contained in a vacuum with electrons. This discovery prompted the Frenchman, Recquerel, to investigate the properties of substances which glow in the dark and he found that uranium gives off radiations similar to X-rays. These ex-

periments started the Curies on the path that led to their discovery of radium in 1898. This opened an entirely new field in atomic research.

In 1911, Sir Ernest Rutherford formulated a model of the atom which was similar to the atom as we know it today. He described it as being made up of a very small but very heavy nucleus carrying positive electrical charges. Around this nucleus the negative electrons are spaced in various configurations. In 1913, Niels Bohr, the Danish physicist, extended Rutherford's theory, and advanced the idea that electrons revolve about the nucleus of the atom, similar to the planets revolving around the sun.

Rutherford also believed that, if an atom nucleus could be fractured, different kinds of atoms would be produced. In 1919 he partially succeeded in doing this, but he did not have a hammer or projectile powerful enough to smash

lum with particles from radioactive polonium, they observed a strange effect. This experiment, repeated later by Sir James Chadwick, showed that the strange effect was due to a new type of particle that had the mass of a hydrogen nucleus but carried no electric charge. He gave the new particles the name of "neutrons." The existence of the neutron had been forecast by Rutherford 12 years earlier.

Heavy uranium found

THREE years later, in 1935, Prof. Arthur Dempster of the University of Chicago, using a mass spectrometer, detected a rare atom of uranium with atomic weight of 235. The more common uranium has a weight of 238 on a scale where oxygen is 16.

All radioactive materials disintegrate and, in so doing, give off energy along with the loss of weight. Ordinary disintegration,

tion was U-235. Once the process starts, it accelerates rapidly, and releases a tremendous amount of energy.

This brief history of atomic research shows how the stage was set for the dramatic wartime development of the atomic bomb. While the military value of atomic energy has been demonstrated, peacetime uses are still a matter of conjecture. So you can see from the record that, instead of our just entering the Atomic Age, as has been widely heralded, we have been living with the atom for a long time, and mankind has already received incalculable benefits from it. I have read in articles that a little pill of atomic energy will soon propel a train all around the country, and a steamer back and forth across the Atlantic indefinitely. We shall not be able to enjoy this new source of power in this way, however, until someone makes an engine, or some sort of device that



Before atomic energy can be used for power, someone will have to make a device that will operate on this energy

it completely. This was provided in 1931 when Dr. E. O. Lawrence of the University of California invented the cyclotron, which can accelerate positively charged particles to speeds as high as 10,000 miles per second.

In 1932, while the Frenchmen, Joliot and his wife, Irène Curie, were bombarding atoms of beryl-

such as that of radium, is a slow continuous process. However, in 1939, Hahn, Strassman, Meitner, and Frisch discovered a new type of atomic disintegration. This was a violent process which was started by bombarding the nucleus of the atom with slow moving neutrons. The only known substance which exhibited this type of fragmenta-

can utilize it; and also get the cost down.

Predictions as to the accomplishments of science should be permitted on a wide latitude, in view of what has been accomplished in the past 50 years. Our ways of life are constantly being changed, and we will undoubtedly continue to go

(Continued on page 85)

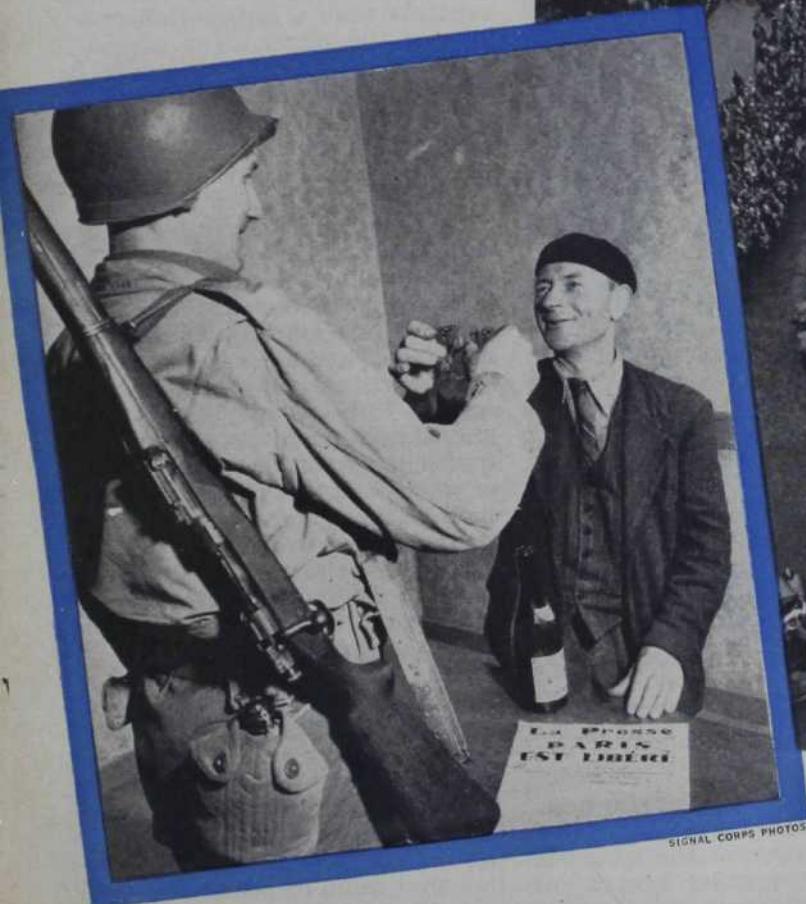
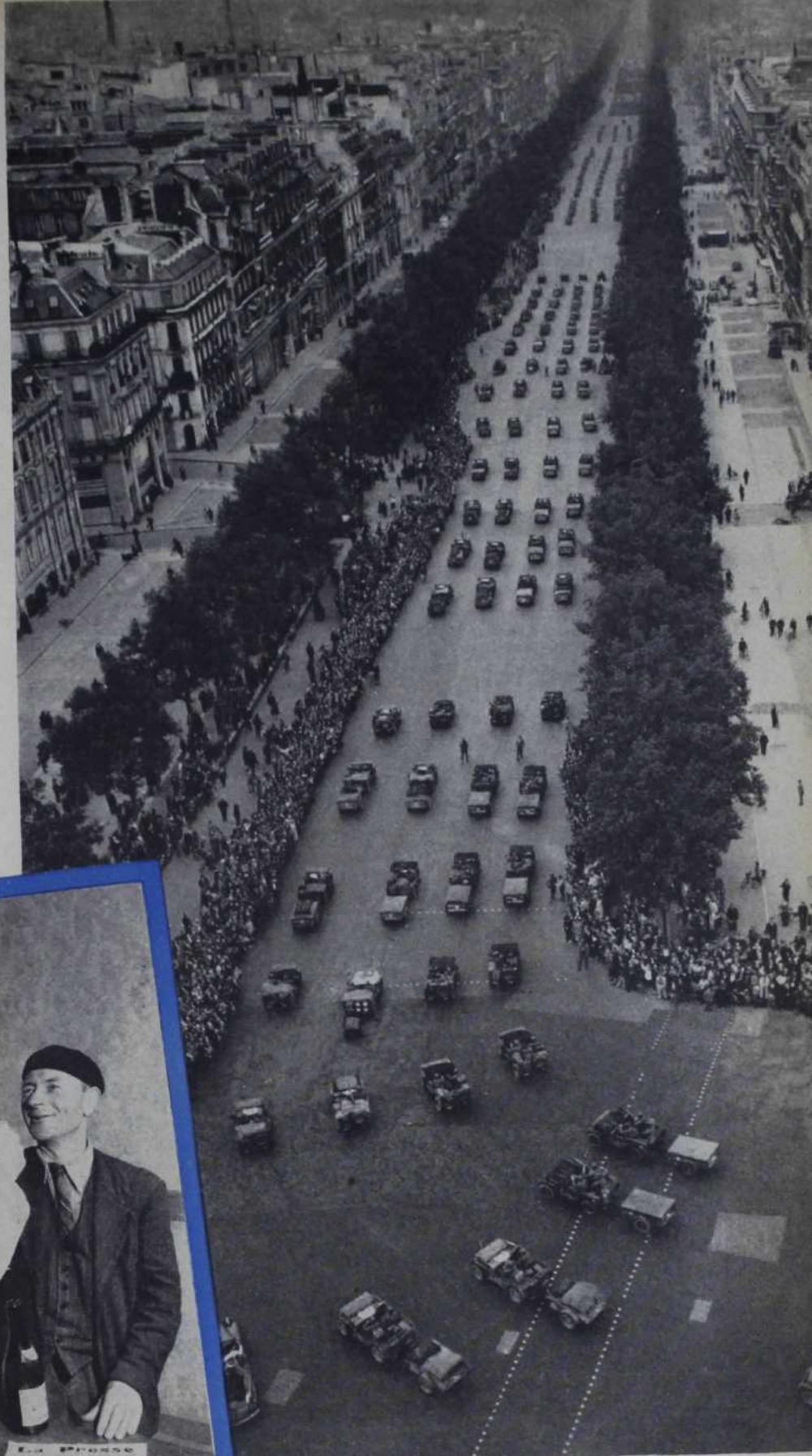
It's 'Uncle Shylock' Again...

By EDWIN WARE HULLINGER

FROM World War I, the United States emerged as the hope of civilization. When Woodrow Wilson went to Paris, he was acclaimed, especially by the smaller nations, as a political Messiah.

A few years later this country was one of the most unpopular of nations. The "champion of democracy" had become Uncle Shylock, the dollar-pincher who had walked out on the world and sold out mankind's chance of an early millennium.

The end of World War II found the spotlight again on the United States as the symbol of inter-



The French populace, with jaws agape, watched from the curbs. Nothing like our "mechanized might" ever had been seen.... Toasts were made in high emotion.... Now we are "miserly" again

national idealism, protagonist of the Four Freedoms, its victorious armies scattered over large areas on three foreign continents, its industrial capacity the greatest ever developed by any people. It was the financial clearing house of the world and, to top all, the manufacturer of the atomic bomb. No nation ever enjoyed a comparable combination of power and influence.

This time, we did not withdraw. We joined the United Nations and promised to fight, if necessary, to preserve world order. We entered the Bretton Woods consortium to stabilize international finances and backed our words with dollars. We contributed heavily to world relief. All the billions of dollars we had lent-leased Britain we wiped off the books, and offered a peace-time reconstruction loan on terms we considered lenient.

In the active family of nations,

islands we consider outposts of our national defense.

Yet today, scarcely a year after our armies liberated Europe, public opinion has begun again to sour towards the United States in many parts of Europe and Asia. Travelers recently back from a surprisingly large number of countries report they were repeatedly put on the defensive when Americans and the United States came under discussion. From Britain, the cry of Uncle Shylock once more has reechoed across the Atlantic. In France and Russia, the press, and sometimes officials, not infrequently criticize our motives as well as our actions.

We still possess unimpaired the prestige of might, and the possibilities for influence it commands. And in perhaps a dozen countries sprinkled over Asia and Europe—including China, the Philippines and, oddly, Japan—public esteem

down. In some spots, notably South East Asia, the glowing enthusiasm of a year ago has turned into a disillusionment that verges on hostility.

Cutting across wartime boundaries, much as most postwar issues in this country have leaped party lines, the phenomenon originates in disappointed hopes—some fostered by our official pronouncements, others originating without particular encouragement, in a mistaken notion—rather, ignorance—of the realism of this country's commitments to its allies. Often it has been the non-appearance of quantities of material aid which it had been hoped would be forthcoming from America. In some areas, it has been shattered hopes of support for local political aspirations, normally the desire for independence, for which our position of champion of freedom had seemed to promise backing.

In some areas, it has been little more than the shock of dashed hopes of future trade with the United States which postwar exigencies have failed to substantiate.

Much expected from us

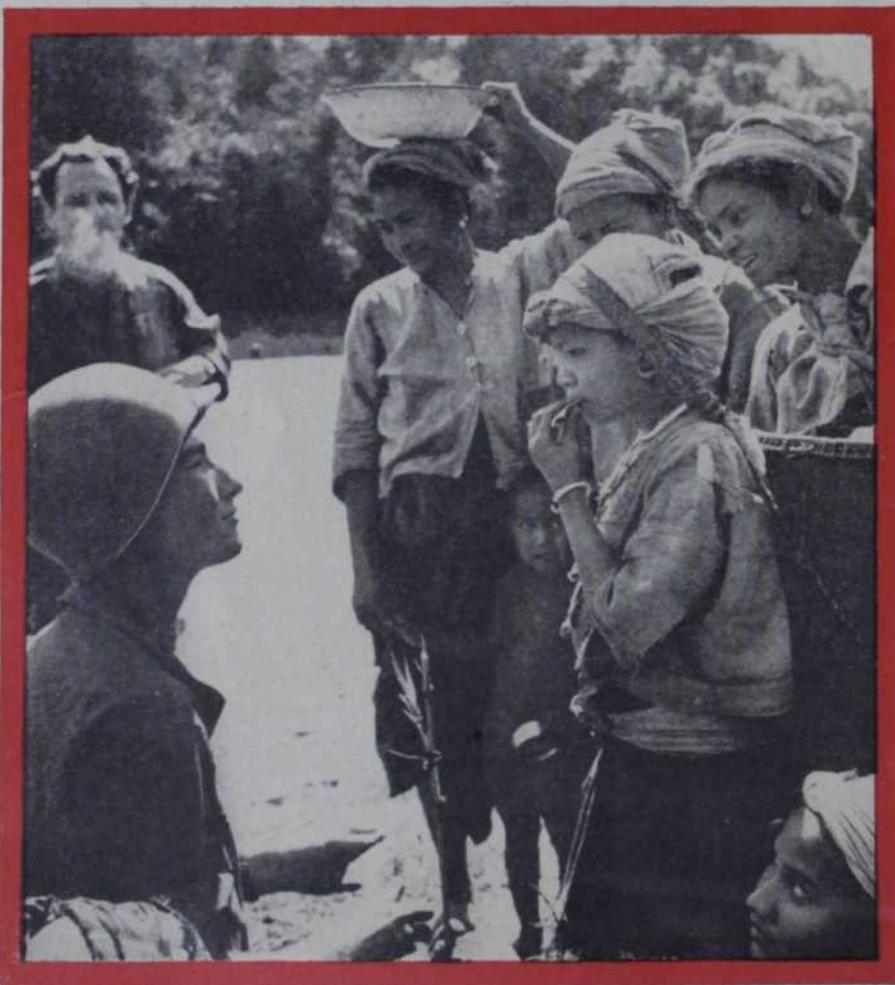
BASICALLY due to failure to get from America some expected material or moral advantage, the fact remains that a considerable portion of the world today connects the United States in one way or other with its present frustration.

The story of what happened in France illustrates the operations of one emotional cycle that has figured in a number of regions.

"When the American armies swept through Paris," relates an officer of the Civil Affairs Division, "the populace watched from the curbs, with gaping jaws. Nothing like it ever had been seen. Division after division rolled past, all on wheels. The German army never had been able to present such a spectacle. In the French army, many a poilu had to get places on shoe leather. The triumphal Russians, they knew, had lots of tanks and motor vehicles, but also lots of horse-, even ox-drawn transportation. Not even the British could boast such mechanization."

The effect of power and seemingly limitless resources in the sight of these mechanized hordes rumbling across the country, plus the stories the French had heard of America's astonishing wartime industrial production records, gave the French an impression of a nation that could do practically anything.

(Continued on page 88)



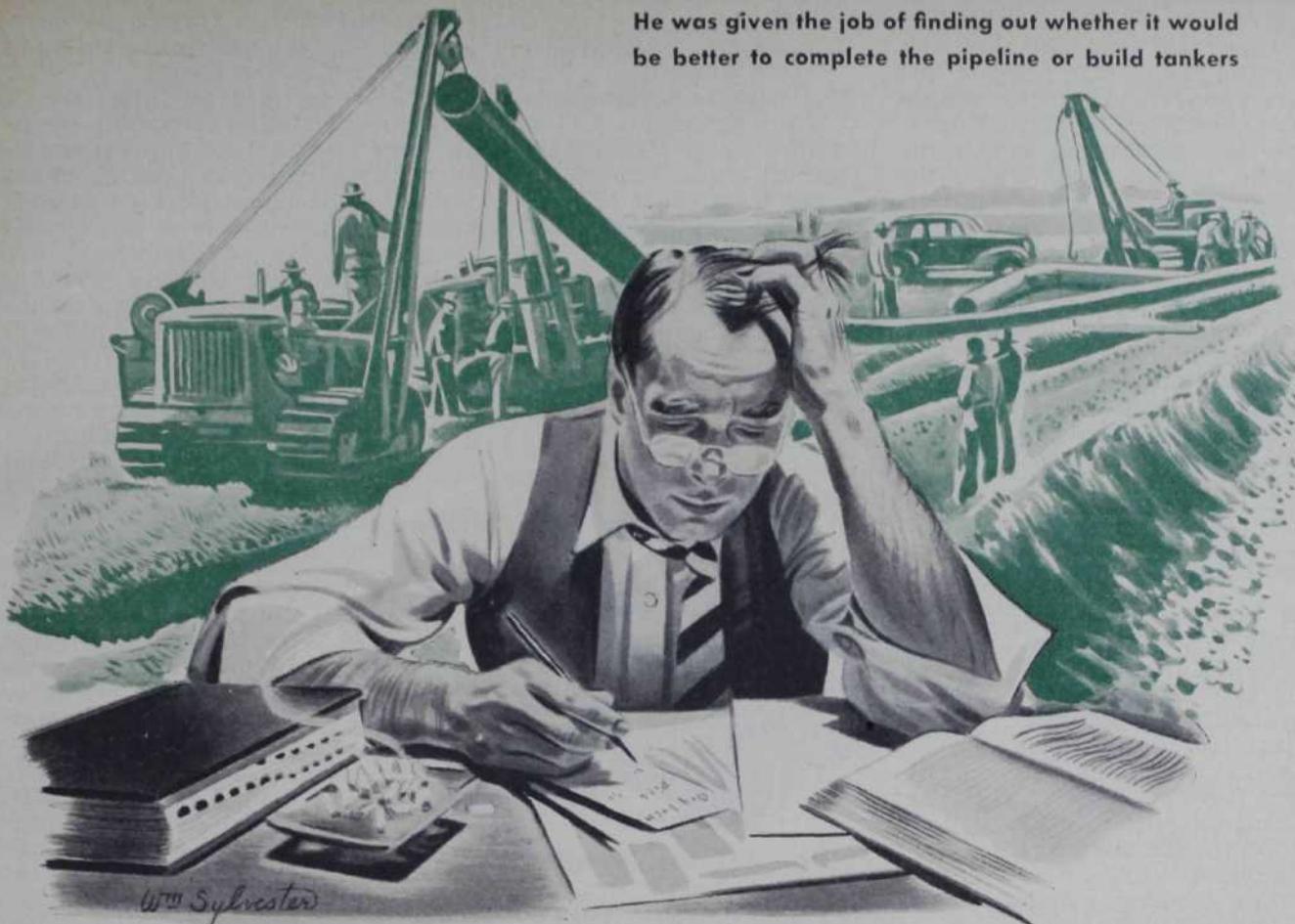
SIGNAL CORPS PHOTO

In boosting the Four Freedoms across the Pacific, we brought hope to South East Asia—also disillusionment and defiance

our diplomats have worked continuously with representatives of other powers, to solve problems in every part of the globe. We have asked for no territory, except a few

for the United States remains high. But in most other areas, according to the consensus of the returned globetrotters, popular regard for the United States is on the way

He was given the job of finding out whether it would be better to complete the pipeline or build tankers



Wm. Sylvester

They Look Ahead for Business

By C. LESTER WALKER

I KNOW when I announce that the subject of this little discourse is industrial economists, someone is going to rise up in the back row and ask:

"But what do they do?"

I shall then probably cite a rather spectacular example, beginning, "Well, for instance, here's one case..." and that will be Sachs and Jones.

Sachs, an industrial economist, was hired by Jones, a company executive, one day in 1942 to make a study.

The subject was tankers *vs.* pipelines. More specifically: would it be better to build more and more of the former or to complete one of the latter?

And you remember, perhaps, that the submarines off our East Coast were just then sinking our oil so fast that we were losing the war?

A month later industrial econo-

COMPARATIVELY new on the scene, taking no sides and having no preconceived notions, industrial economists are succeeding in taking the blinkers off business

mist Sachs put on Jones' desk a report with the mouth-filling title:

ADVISABILITY AND URGENCY OF PIPELINE COMPLETION *vs.* TANKER CONSTRUCTION: Evaluating Comparative Economy in Strategic Materials of Alternative Transportation Media and Exhibiting Flexible Logistics Released by Pipeline for Co-ordinated East Coast and United Kingdom Movements for War Prosecution.

The report showed that a pipeline utilizing the same horsepower as the tankers would require only half the amount of war-vital steel, would save on operating manpower, and would release annually

for the United Kingdom additional oil to the total of 3,500,000 barrels.

Jones sent the report to the proper office in Washington. Its contents were studied. The pipeline was built, and the oil was delivered to win the war.

Well, that's one sort of job one industrial economist did for his employer.

Take another case, less spectacular. A certain department store executive says his company (name to be revealed later) had been pushing certain of its wares to the same income group for years. And was doing all right. So all right that it never stopped to wonder whether income groups sometimes change. One day its operating exe-

cuitives heard this from its economist:

"Look," he said, "taxation has changed the income pattern. You have always thought of it as shaped like a pyramid. It is really a Florentine vase: narrow top, wide in the middle, narrow base. These—the horizontal bands—are the income strata which we now have to sell to. Whether this group will buy \$150 coats is a thing to determine. If not, then a department should perhaps concentrate its interest on a different group."

Result: Some altered merchandising policies to serve groups least touched by taxation. Result: Increased sales. The company: R. H. Macy, New York.

Good guesses needed

OR, once more for our friend in the back row, there was once a cotton and wool textile manufacturer whose accurate sales forecasting was famous. Suddenly it went haywire. Worried, the manufacturer called in Smith, the company economist.

"I'm guessing wrong too often. Tell me why."

After some study Smith spotted the trouble.

The chief was using the same type of cotton and wool figures he had used for years—and they no longer told the full story. They were overweight on the new-competitor factor: rayon, nylon, spun glass and all the others of the past ten years.

The economist then produced figures that weighed-in all the newcomers, and the manufacturer became a number-one prophet again.

But my back-row questioner probably even then will not be satisfied.

Then I shall tell him how one industrial economist for one particular company (a manufacturer and supplier of communications equipment) gave me an idea of his work one day.

"Run through this," he said, and handed me his "Coming Up" file. I offer here a few salient items:

- 12-month Purchasing Department commodity price forecast
- Actuarial pension accrual study
 - new formula death benefits
- Monopoly investigation data
- Plant expansion—optimum time
 - site

Electronic gadget sales forecast 1956
Machinery depreciation—a case argument
Washington—government economists meeting
Staff bulletin—Business outlook Speech—Free enterprise and the public debt
Report—Implications Case Strike Bill
Memorandum—Effect population increase in higher age groups
5-year projection standard costs raw materials—Manufacturing Department



Today's income pattern is like a Florentine vase—middle wide, top and base narrow

Rate case—utilities commission; earnings study
Contracts renegotiation—Washington
Statement—Effect British \$3,750,000,000 loan—investment money market
VP's speeches—for National Industrial Conference Board; for Foreign Trade Association
Federal Trade Commission ruling analysis
Book—Keynes' theory vanishing investment opportunities. Review for V.P.

Economists have many jobs

DOES that give some idea? It is a fairly typical list, I think, of a big-company industrial economist's duties. But these will vary, of course, from company to company, and from man to man. And that is the trouble. In any account of industrial economists you cannot generalize.

There is Dun & Bradstreet, Inc., for instance, whose economists, among other chores, get out the most practical of studies for the company's customers. Things like: "Survey of Taxes Paid by Busi-

ness," or "Guides to Efficiency and Profits in Fifty Trades"—so practical that it answered the questions of 60,000 service men!

But, by contrast, you have a General Motors industrial economist who works in pure economics—like pure science; and one of the big oil companies which hired a particular economist chiefly because he was "so theoretical."

Dr. Michael Heilperin, who is Bristol-Meyers' economist, explains one economist's job (his own) in these terms:

"The company, every company, operates not only within a national economy but within a world society. It is vital to its operations that its management should be well informed about economic and political events, not only within the nation, but also in the world at large. It is my job to bring the impact of such events to the officers of the company."

This, in Heilperin's case, means just that. That is, he will not predict the market for individual products next month. (The sales department will do that.) Rather he will follow major legislative developments as they affect

the course of business and especially of free enterprise.

During the current strike wave he analyzes the issues that are involved in relation to wage levels, profits and prices.

The economist for a banking house, however, is swimming in very different waters. I have one in mind who says:

"My function is to watch money—the trends—of deposits, of reserves, of gold in-flow and out-flow to and from the United States."

A kind of monetary tide-watcher, from these currents and cross-currents this economist will learn what money is "doing," which is what he and his bank want to know.

He gives as his "basic routine operation": The preparation of three memoranda a week, for senior officers and branch managers, containing, plus money matters, an analysis of business news, an outlook forecast, and an analysis of three or four commodity trends.

If wheat, for instance, is doing things, this economist's memorandum will give the picture. The bank's lending officers in charge of

milling accounts will then know where they stand.

"My office," says another bank economist, "is the problem-throwin-in-your-lap department. Every day there is some operating executive who wants to know the answer."

Expenses figured closely

"TYPICAL cases?" I ask.

He gave me: "Hedging in the cotton and wheat market—is it an unnecessary expense nowadays? Some of the bank's operating executives wanted to do away with it. The bank had always been for it. The economist had to say what he thought should be done.

"Or from the outside—tomorrow we will receive two or three pages of typed questions from a bank customer, one of the big mail order houses, sent in advance by their forecasting department. Before their periodical visit to check with us on conditions"

Even the labor unions have economists on their staffs nowadays, and many a company executive will tell you the result is that unions oftentimes have better and more complete facts on wages and hours than management does. Over 50 unions now maintain economic research departments, with chief economists being paid up to \$8,000 a year.

Their job is to give the union president and general executive board the facts and figures needed to shape the policies and activities of the union in the period between conventions. If a union case goes to arbitration, the economist must have the raw material for the necessary arguments, since—to quote—"unions have learned that they cannot afford to rely entirely on economic strength or public sympathy to win their case."

That the union economists are effective is shown by the results of their work. Daniel J. Tobin remarked once that one union's economic research department was responsible for a favorable arbitration award, in a certain drivers' strike, which resulted in a wage increase to 60,000 members of about \$21,000,000 a year.

A New York insurance company has an economist whose main function is the development of investment outlets. A mercantile agency uses its senior economist as a listening post on govern-

ment-and-business. And I am thinking of an international oil company which wants its economist to concentrate on foreign exchange problems, and, leaning heavily on theoretical economics, to "catch things which should be called to the attention of the executives."

"Many of the things which an industrial economist does for his company," says Dr. Emerson P. Schmidt, director of the National Chamber's Economic Research Department, "would be done, in the absence of the economist, by other persons. But the economist, doing these same analytical jobs, brings to the task an over-all comprehensiveness in his appraisal of the nature of the problem and the implications of suggested solutions which these other men, even if equally intelligent, may not bring.

"The economist is specially trained," Dr. Schmidt adds, "to take full account of all the forces which underlie demand, all the forces which lie back of supply—and both of these, in the short run, the long run and the intermediate run."

Consider the general welfare

THE industrial economist has one job, however, which cuts across the entire economy. That, of course, is the matter of being guide and god-

father to business's ever-growing sense of social responsibility. And today practically all industrial economists find themselves in on that in a rather large way.

As a group of them stated publicly recently:

"Companies today must think in terms of the general working of our economic system and the relationship of the policies they make to the general level of production and employment. This means that the managers must have the service of experts in economic analysis, to help them acquire a deepened understanding of how the economic system works, and of how their own decisions affect the general welfare."

"Don't ask a horse with blinkers for a painting of the landscape," Walter Badger, one-time editor of the London Economist, used to say, and would then add that it was the job of the industrial economist to take the blinkers off business men.

"To make business see the broad mural instead of the little picture" is how another economist expresses it; "to relate the specific problem to the larger background; to point out the policies which in the long run are best for the commonweal."

The industrial economists haven't been at this very long. But that is chiefly because theirs is a com-

(Continued on page 97)



The industrial economist's approach to any problem is first to find the facts

Air Castles



Pressurized cabins
will make possible
high, smooth flying

SLEEK new sky giants, each carrying 36 to 56 passengers, roar along the nation's air lanes daily at four miles a minute. Bigger and better sky giants, however, are on the way. Air line officials plan 100-passenger planes by 1947, 200-passenger behemoths within two or three years.

Robert Ramspeck, executive vice president of the Air Transport Association, states the goal for next year: 1,239 aircraft capable of carrying 49,757 passengers daily—1,500,000 a month—and flying 10,000,000,000 passenger-miles annually. This is three times the highest number of commercial planes and seven times the seats available before the war, two-and-a-half times last year's all-time record of passengers carried by air—5,862,416—and seven times the passenger mileage, a steep goal indeed.

Air transport, therefore, is progressing from a class to a mass operation. Once reserved—because of high rates and other factors—for the upper crust of business and social circles, it now attracts the general public.

This naturally brings up the question: "What will happen to air line service when skybound transport ceases to be a high-priced privilege of the few and becomes the casual habit of millions?"

Even today, despite crowded conditions in airports, manpower turnover and other abnormal factors, air line service is still reminiscent of the pleasant surroundings of a swank resort or the quiet serenity of an exclusive rest home, with streamlined efficiency thrown in. The stewardess addresses her charges by name as graciously as a hostess entertaining friends in her own home, luggage is whisked away to appear again miraculously at the end of the ride, food is served without cost, travel aids of all kinds are available for the asking.

Fate of services

CAN such attentions stand the strain of 100 passengers in a plane instead of 21?

According to some opinions, they don't need to.

C. R. Smith, board chairman of the aggressive American Airlines, suggests that the main attraction the air lines are going to dangle before the public will be fares of about three cents a mile. That is 50 per cent cheaper than today's air transport fares and lower than the cost of most reserved-seat, first class surface transportation.

Others feel that special services not only can survive but must.

Jack Frye, young but seasoned aviator head of TWA, says:

"We cannot now lower our standards of service. Service built our business and is necessary to maintain customer loyalty. It is my opinion that the air lines must hold to the highest possible standards of service to maintain the maximum amount of profitable traffic."

Harold Crary, vice president of United Air Lines, says:

"What have air lines got to sell but speed and service? We are continually upping the speed, so why not increase the service? As for rates—we've already accomplished wonders.

"United voluntarily reduced rates ten per cent July 15, 1943, right in the midst of the biggest boom in air transport history. Within a few years we brought the rates down from 12 cents a mile to 4.5. Speed, safety and service get priority over



Air transport will not be a class, but a mass operation

on Firm Foundations

By PAUL D. GREEN

THE AIR LINES plan to step up their speed, safety and capacity, to cut fares, and to continue giving personalized service

lower rates so far as we're concerned."

Those holding this view are already considering—even promising—not fewer services, but more. They envision a nation-wide airport development program; flying nurseries for children (in addition to the present baby kit, including diapers, that is put aboard if the company is notified); tricycle landing gear which will keep floors level when the plane is on the ground; movies; music; ladies' lounges—but no cocktail lounges as long as CAA forbids sale of liquor on domestic air lines.

Eastern's planes are the first to have two doors, front and rear, for

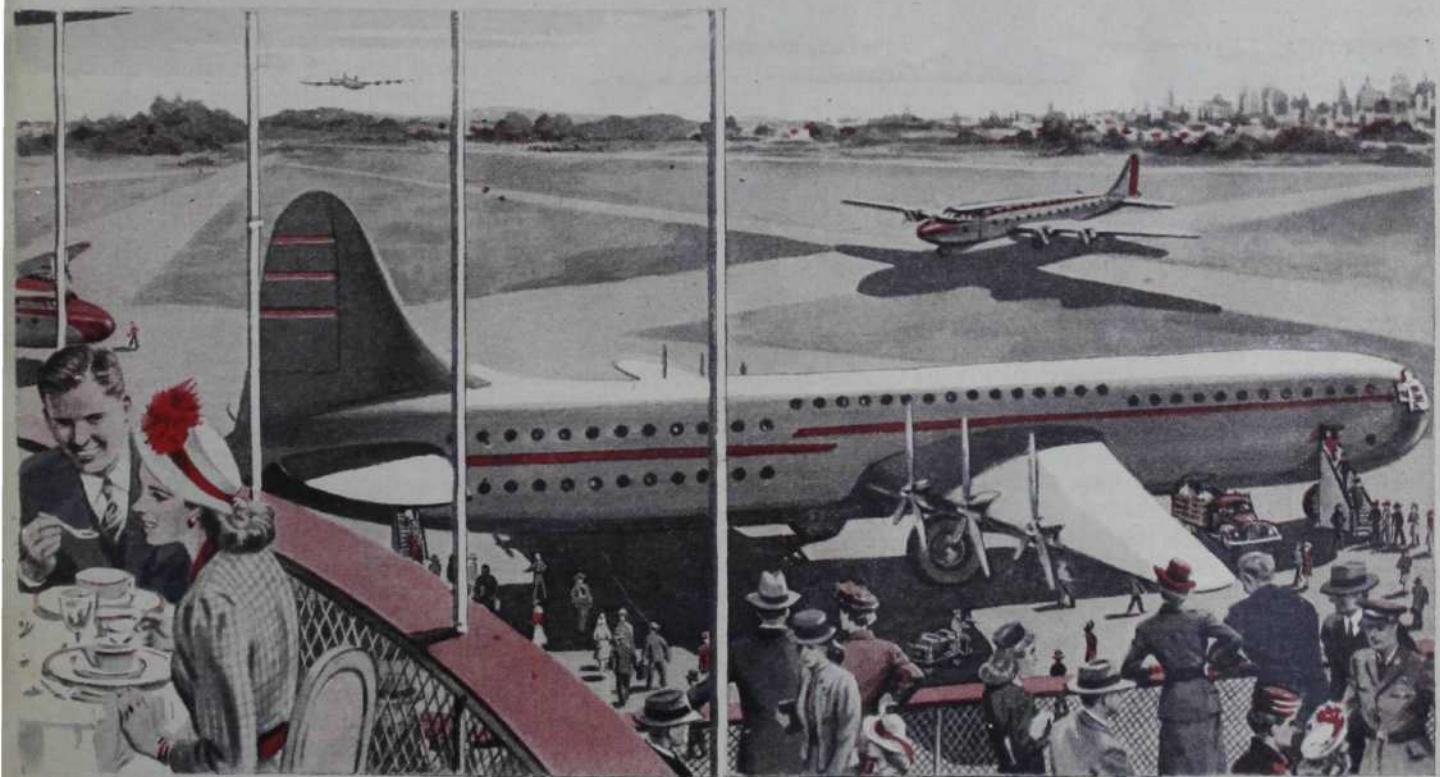
quicker loading and discharging of passengers and equipment.

Male pursers may ride future planes, but they will not replace the stewardesses who have virtually won a place as the air lines' public relations representatives.

These girls are in contact with passengers more than any other employee save perhaps those in the ticket or reservation offices. They are picked with care and must obey stringent regulations. A stewardess must have two



Faster travel will greatly reduce time in the air but sleepers will be retained



E. F. WALTON

Within two or three years, 200-passenger planes will be here, air line officials promise. They expect to be carrying 1,500,000 passengers a month in 1947, flying 10,000,000,000 passenger-miles a year

years of college or be a registered nurse, must weigh less than 125 pounds, be between 21 and 28 years old and no more than five feet, six inches tall. In addition she must be gracious, intelligent, well poised.

These are stiff qualifications and airlines try to fill their quota by sending out as many as three teams of trained personnel scouts to seek likely candidates. The girls are given personality tests, and physical examinations as tough as those given pilots. Those who are chosen are given a six weeks' training course. When stationed away from home, as most of them are, the stewardesses are put up in good hotels and subjected to rigid surveillance.

In flight, the stewardess is supposed to be available for the passengers' comfort at all times. She is forbidden to stay in the pilot's compartment for more than 30 seconds. Passengers become restive when the cabin is empty of crew members. They are positive they are up front discussing bad weather.

In knowledge and equipment, the stewardess is prepared for al-

Flagships provides her with sleeping tablets for passengers who want to sleep but who are nervous or jittery. To get the tablets, they must give their name and address.

Special care for the ill

ON a recent westbound flight, the stewardess noticed a restless sailor with flushed face. When she gave him a blanket, took his pulse and temperature, he protested that he was "fit as a newly launched cruiser." He was burning with fever.

Stubbornly, the sailor insisted that he continue to his California assignment. Unconvinced, the stewardess informed the captain. A moment later he was talking by radio to Denver, telling them to be ready to pick up a pneumonia patient. When they reached Denver, the sailor was hustled away in a waiting ambulance.

The stewardess rode with the lad to the hospital, and later spent her time off visiting him and writing his folks detailed letters reporting his progress. When the sailor got

opinion of the service-minded, make it possible to add frills rather than sacrifice them.

The new 56 passenger, 270-mile-an-hour Capitaliner which PCA has just put into service between Washington and Chicago, for instance, provides a ladies' lounge and a men's wash room in contrast to the combined lavatory of the 21-passenger planes it superseded. It has improved baggage compartments and a built-in cloakroom. An added stewardess makes it possible also to give the personal touch for which the air lines are famous.

Moreover, many officials believe that a few changes in details will make it possible to continue the usual smiling courtesy and still reduce costs. Ticket selling is an example.

Today an average of five or six phone calls is involved in every reservation made. The goal is to reduce this to one phone call or visit to a ticket office which will close the deal by selling a ticket as at a railroad station or theater. This would clip interoffice details sharply.

Once the passenger's name was asked four times, now it's three, soon it will be only twice—once when he buys the ticket, and once when he boards the plane. Perhaps eventually even this last step will be eliminated.

Technique for lost articles

THE procedure for checking baggage and locating lost articles also offers opportunities for savings. The procedure now is to keep an object three days at the stop where it is left behind or found, then forward it to a central depot where it remains until claimed. Under the cost-whittling technique of the future, lost items will be immediately sent to central depots, thus eliminating the costly teletyping or telephoning to every town along an extended airline route.

Airline lost-and-found depots, incidentally, contain the same heterogeneous lot of articles found in any similar bureau of a large railroad or hotel. United's general headquarters in Chicago has hundreds of feet of shelves holding hats, umbrellas, a toy model of Ferdinand the Bull, a baby bassinet, cameras, binoculars, jewelry and—standard with all, it seems—false teeth.

The lost-and-found department has many incidents demonstrating the extra-curricular services air lines perform just because they feel they owe a lot to their passen-

(Continued on page 108)



To make air travel more pleasant for mother and child, tomorrow's air liner will be equipped with a nursery

most everything. Her first aid kit includes aspirin, nose drops, antacid fizzles, iodine and—for those who become air sick—the marvelous scopolamine tablets which earned a high reputation among seasick service men during the war. She distributes chewing gum to relieve ear-popping, a common disturbance and, if that fails, demonstrates a simple nose and breathing exercise.

A recent innovation on American

well, they were married. The company lost a wonderful stewardess.

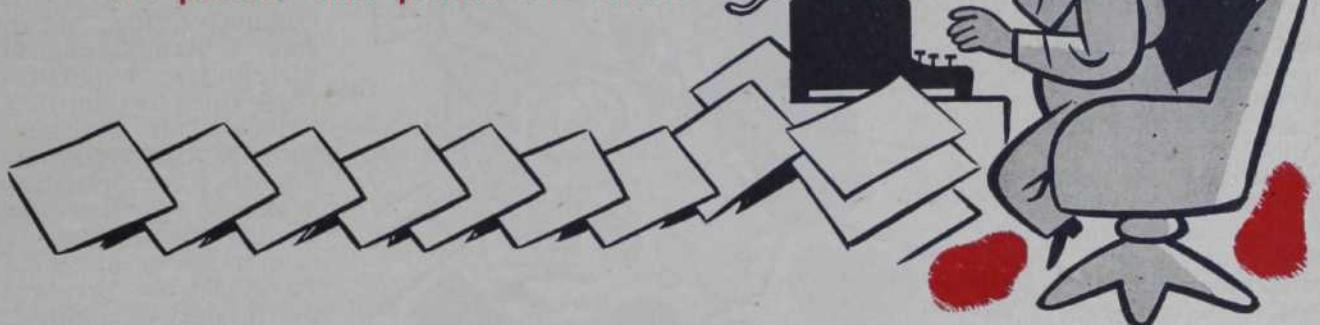
Stewardesses will continue to be prepared for that kind of emergency, but the planes now on the drawing boards will relieve them of several other duties. Pressurized cabins will make it possible to soar 30,000 feet, above the weather, without discomfort to the passengers. At that height the ride will be smoother.

The new planes will also, in the

Washington's Letter Industry

By CARLISLE BARGERON

THE MORE complex and confusing the Government grows, the greater is the call for the services which explain the present and predict the future



JUST AS the principal industry of Pittsburgh is steel, and of Detroit automobiles, Washington's chief industry is politics. All other activities turn around it. Our production consists of issues, crises and propaganda. And just as the production of steel and automobiles creates all sorts of related enterprises, so does our chief output. Men have made fortunes out of supplying the motor industry with parts.

In Washington, some fortunes have been made and other men are doing right handsomely in the business of telling a selected clientele throughout the country—via the news letter—what our politicians are doing and going to do for and to them.

There is probably no more optimistic group in America, in so far as their own business is concerned, than the entrepreneurs of the Washington News Letters. With the Washington Government becoming more involved and confused, with the indications that it will have a still greater bearing on the affairs of people, the News Letter industry is booming.

Starting in 1918 on a shoestring, the news letter business has grown to an enterprise of more than \$3,500,000 a year, which when

it is considered that postage, typewriter and a mimeograph machine constitute the only initial capital investment required and relatively few men are employed, is not to be taken lightly.

There are newspapermen and radio commentators in the capital, some 700 of them, to tell the people what is going on. But behind the noise and excitement of their headlines and voices, the interpretative calm of the News Letter, seemingly fills an acute need. Its influence has been felt by the daily press, not through any loss of newspaper circulation, but in the monopoly the daily press once enjoyed in the business of molding minds, a monopoly also broken by the radio, of course.

Letters read by leaders

THE news letters do not enjoy the mass circulation of the newspapers. Their influence comes from the fact that they are read by the leaders of finance, industry, business, labor and education. Their potential market is estimated roughly to be around 250,000 subscribers, although only one letter has more than a fifth of these, but the limited number of subscribers which one does have, embraces

people who know how to use information when they have it.

The mass influence which was once the newspaper's, has been greatly reduced in so far as the politician is concerned, as Roosevelt used gleefully to point out, because of the politician's ability to create news which the newspapers feel they must print. The majority of the country's newspapers steadily opposed the New Deal on the editorial page, but the New Dealers knew how to take over the front page.

In the heated controversies which are the lifeblood of Washington, the newspapers are charged with printing the conflicting effusions of both sides.

"Give the people the facts and let them make up their own minds," is the modern newspaper policy.

Unfortunately, more often than not, there are no facts, only confusion, in the mouthings of the disputants. The News Letter is not concerned with the public utterances of the politicians, the bureaucrats or the conflicting claims of a controversy. Its business is not to give distribution to conflicting points of view in an effort "to be fair." Its purpose, instead, is to get down beneath the froth and succinctly give the facts of the pres-

ent and the probable facts of the future.

The success with which it does this depends upon the integrity and the ability of the particular men preparing the letter.

Important are their sources of information, and their ability to understand, analyze and interpret the information they get. None of the more established Letters claims to have any confidential sources of information or to purvey any confidential intelligence. But the staffs are made up of men experienced in their particular lines—taxes, finance, agriculture, politics—who know where to go to ask questions and how to appraise the answers they get.

Publicity avoided

THEY do not attend the periodical press conferences which are for the convenience of the daily press and which, more often than not, reflect what the public official wants to say rather than down to earth facts. The abler newspaper correspondents pay little attention to the press conferences. Together with the news letter writers they depend more on quiet talks with the officials concerned, and particularly with the subordinate experts whose research and advice lay the base for the subsequently announced policy.

Even here, the news letter writer is likely to get a freer expression from the official than the correspondent because the official knows that, under no circumstances, will he encounter a startling headline or even appear in the news. Even his views may not appear. They may become swallowed up in the welter of other information. The average newspaper has come to take the news as it happens, or as others make it. The letter writer is armed with questions which his clients have written in or telephoned in to ask.

The newspapers which once scoffed at these Letters, are now subscribers to the more established ones, and not infrequently blow up into headlines an intelligence which a news letter has quietly conveyed in a paragraph a week or so earlier. Some time ago the Kiplinger service gave the story behind the much debated recall of General Stilwell from China. It was quite a belated explanation at that, but it was two weeks later before a

widely syndicated newspaper columnist distributed the same story.

Before Pearl Harbor, there was undoubtedly considerable confused and wishful thinking around the country as to whether we would get into the war. No reader of the Whaley-Eaton or Kiplinger services should have had any doubt as they analyzed and interpreted the various steps such as lend-lease,

Darrow have profitable foodstuffs letters. Established for several years are the letters of the Goldsmith Washington Service on government securities, distributed every other week at \$50 a year, and the Roland Davies' *Telecommunications Reports*.

In 1933, with the advent of the New Deal, Chester Wright established the Labor Letter which has both industrial and labor clients. The United States Chamber of Commerce and the National Association of Manufacturers distribute weekly letters to their members. A Washington bank, the National Savings and Trust Company, distributes to its patrons a weekly letter prepared by the Press Association, Inc.

The Citizens National Committee, Inc., of which John W. Hanes is chairman, distributes *Washington Close-Up* in its campaign for economy in government. The National Economic Council, Inc., presents the *Economic Council Letter* dealing with the state of affairs in the world generally. These last two, prepared in the interest of a cause, do not come within the theme of this article, but indicate the scope of the letter writing industry.

The *Congressional Intelligence*, created about ten years ago as a daily tabloid of official happenings, is now condensed into a four page, news letter size, to report on the status of legislation in Congress and on what is happening in that branch of government.

There are news letter services which have a slant or an idea to put over but which nevertheless are supported strictly by paying subscribers. Foremost in this class is the letter *Human Events* published by Felix Morley, prominent educator and former associate editor of the *Washington Post*, and Frank C. Hanighen, newspaperman with a long background of service in Europe. Devoted apparently to getting "realism" into our foreign dealings, it has more than 3,000 subscribers who pay \$10 each annually. Among the contributors are such well known writers as William Henry Chamberlain, long a correspondent in Russia, and a strong "realist" in his view of that country. Hanighen writes a weekly column called "Not Merely Gossip" dealing with behind the scenes both here and abroad.

A decidedly new wrinkle is the



Knowing he won't be quoted, the federal expert is willing to talk more freely

seizure of Iceland, that led up to the war.

These two services are the oldest and, together with the more recent David Lawrence services, have the largest staffs of the Washington letter writing industry, as distinguished from the letters distributed from New York bearing upon Washington and some of which have correspondents in Washington.

600 letters have tried

IN Washington there are probably 30 news letters currently, some of them here to stay, some to fall by the wayside in the hazards usually encountered by new enterprises. Since the Whaley-Eaton service was established in 1918, some 600 Washington news letters have sprung up and died. The Kiplinger service came along in 1923. The overwhelming majority of those now in existence are one or two men affairs which specialize in such fields as foodstuffs, government finances and the like.

George Goddard and Wayne

daily aviation letter, *American Daily Aviation*, published by Wayne W. Parrish, long identified with aviation journalistic enterprises. It draws on a staff of nine men who are also engaged in Parrish's other aviation publications, and is sent out each night by airmail for \$170 a year.

The well established *Petty's Oil Letter*, a weekly, sells for \$60 a year. Other letters interpret the decisions of OPA and other government agencies and there is no doubt they need interpretation.

Washington agents get news

IN ADDITION to these letters, most industries with representatives in Washington have them write periodical reports of what is going on, in many instances not confined to their particular trade, but giving a general coverage, even to the gossip which the home office executives can chuckle about and retail at dinner parties. There is also the representative who, when he gets a piece of information, goes to the telephone and passes it on to his boss. He may be compared with the early "journalists" of England, back before Queen Elizabeth's time. A "journalist" in those days was likely one who was retained by a nobleman to keep him informed as to what was happening.

In the 15th century the developing mercantile and banking house of Fugger in Germany began distributing letters bearing on business and trade. An early English form of journalism was the *Paston Letters* and *Sydney Papers*. In the 17th century the Henry Muddiman letters attracted considerable attention. Outstanding among the letter writers at the close of Elizabeth's reign were John Chamberlain, Thomas Locke and John Pory. The latter was the progenitor of journalism in this country. As secretary of the Virginia Colony he wrote periodical reports of happenings to his "good and gracious lord" in London.

Subsequently, John Campbell, postmaster at Boston, developed the practice of sending news letters to the colonial governors of New England and in 1704 he launched the *Boston News Letter*.

With the development of the telegraph and the spread of literacy, daily newspapers began to come into their own. Today, the cycle is completed.

The revival, in so far as Washington is concerned, was launched by two experienced newspapermen who were also lawyers, Percival Huntington Whaley and Henry M.

Eaton. They came together on the old Philadelphia *Evening Ledger*, the former as editor-in-chief and the latter as managing editor. Mr. Whaley in his 70's, is still active in the management of the Whaley-Eaton Service. Eaton has been succeeded by his son Harry. The idea for the service came from the increasing importance of Washington in the calculation of business which came with the Wilson regime, coupled with a suspicion of many business men that the newspapers were not prepared to give them the unvarnished truth. From their own experience, Messrs. Whaley and Eaton knew that the newspaper must work fast to meet the deadlines, that it doesn't have the time for a calm weighing of facts or appraisal of values.

Circulation figures are carefully guarded by the news letters but Whaley-Eaton is believed to have some 10,000 subscribers. It distributes a foreign and American letter, the former selling for \$25 a year and the latter for \$30. For the purpose of the foreign letter they maintained representatives at the European capitals before the war, now have one in London. There is the question whether in the future Washington will not be the hot spot for world news as well as domestic. They have a staff of seven or eight experts, some of whose salaries range into five figures, and a large clerical staff.

The Kiplinger service, established by Willard Monroe Kiplinger who came to Washington as a newspaperman for the Associated Press and for a time covered the

Treasury, covers a broader clientele than Whaley-Eaton. It is believed to have a circulation of around 150,000. In addition to the general letter, Kiplinger gets out a tax letter and one on agriculture. For the general and tax letters the price is \$18 a year, for the agricultural letter \$15. He has a staff of nine, which is being expanded and which, with his promotion and clerical employees brings his total number of workers up to around 90, or a payroll of more than \$400,000 a year.

A group of letters

DAVID LAWRENCE, who in addition to his other activities, has come to be one of the big three of the letter writing industry, gets out five dailies and eight weeklies covering a wide range of Washington affairs. The dailies sell for \$15 a week, the weeklies at from \$62 to \$156 a year. He draws on a large staff engaged in his several enterprises. He, Whaley-Eaton and Kiplinger not infrequently buy talent away from the daily press.

The circulation of the one-man establishments is in the hundreds, but they have net incomes of as high as \$25,000 a year. Unlike newspapers and magazines, the tendency of the letter writers is to minimize, rather than exaggerate their circulation. Small circulation makes the client feel he is in a select group.

Several weeks ago, Walter Lippmann, addressing a gathering of business men, scolded them for
(Continued on page 106)



Surrounded with the tools of his trade, the news letter writer digs beneath the surface of the daily headlines

Four Cooks Spoil the

WHILE conferences of the UNO theorize in many languages on world cooperation, Germany has become the testing ground for the four widely different forms of government. Even the most optimistic agree that the peace and unity, which marked the conferences of presidents, premiers and generalissimos in the war days, is lacking now that the problem has changed from one of combat to civil administration.

Although the tri-monthly meetings of the four military governors who form the Allied Control Council to implement the Potsdam partnership are on a high level of decorum, they reach few decisions. Differences which were politely overlooked in the heat of battle have become top issues. The joint administration of Germany is stymied.

Each governor runs his own zone. However, the Interallied differences are less concern to Americans than is the controversy rapidly boiling to a national issue here at home over what goes on in the American Zone of Germany which is our own show.

All high-ranking representatives of the United States, Soviet Union

or Great Britain have the same explanation when asked what is responsible for the stalemate. Their answer is: "France!" That is true, but not the whole story. For the time being, France blocks any important agreement but, even if that were not so, the other three countries could not agree.

France was not invited to the Potsdam conference. The reason given was that it had no established government at the time. This slight rankled in Gallic breasts. The opportunity for revenge came when France was given an equal voice with the others in the occupation and administration. As all decisions must be unanimous, France can prevent any agreement.

France keeps a free hand

NOT having been a party to the Potsdam agreements, France insists she is not bound by them. She insists further, that, as the eastern boundaries of Germany have been fixed, ceding territory to the Soviet Union and Poland, the western boundaries also should be determined. Presumably this would cede territory to Belgium, Holland and

Denmark, in addition to the Saar area of Germany which France is now occupying. Nobody doubts that treaties, if and when signed, will affirm the present squatter possession. A third French demand is that the Ruhr and Rhineland be placed under an international, or four-power, trusteeship.

France refuses to agree on an over-all policy for government, trade unions, commerce, transportation, communications, insurance, finance, foreign trade or industry but does not block everything. To the first of this year, the Allied Control Council had agreed on ten laws and 23 directives, some of them pertaining to relatively insignificant matters, such as clearing mine fields and demilitarizing athletic games. For five months, however, the Council has discussed 17 other measures for the governing of Germany without reaching agreement.

On many of these latter, France is not the only dissenter. Fixing a limit for steel production is an outstanding example of allied disagreement. As Americans have learned, a few cents' change in the wages of steel workers can change the nation's wage level and cost of



German Broth

By JUNIUS B. WOOD



UNLESS the victors can agree on a single economic and political recipe, and work together closely, the job of occupying Germany will be an almost endless one—and our American soldiers won't be home for a long time

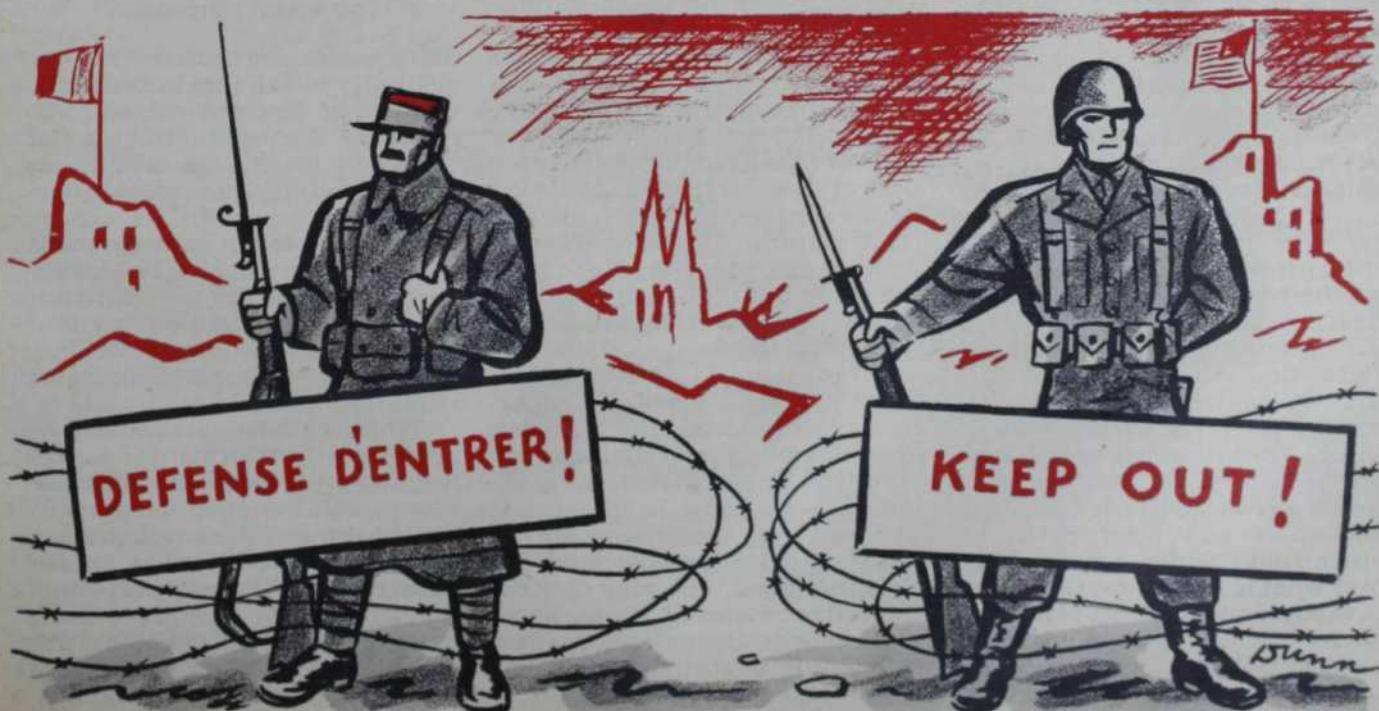
living. Even more so, a country's steel production can fix its industrial level. On that will depend the future economy of Germany, the standard of living for the people, the amount of reparations available, in fact, the entire life of the nation.

In the war years, Germany produced about 23,000,000 tons of steel annually. Fixing the limit for a demilitarized Germany has been the top problem of every swivel chair planner and had top rating on the Allied Control Council's opening agenda.

Disagree on steel production

GREAT BRITAIN, which wants to restore Germany as a customer and stabilizing influence in Europe, recommended 11,000,000 tons. The United States, committed to the Morgenthau plan, and the Soviet Union with its own plans for expansion flatly rejected that figure. After months of debate and consultations with home capitals, the Control Council agreed on 7,500,000 tons capacity, but only 5,800,000 tons production. The American military governor's latest report to the War Department—incidentally six weeks are required for printing and shipping the reports to Washington—hailed this as the Council's most important achievement.

But before the neatly printed report had even arrived, Britain announced



that, according to its interpretation, it will operate the mills in its zone on a 7,500,000 tons production basis. As that is some 30 per cent more than the limit which the other three expect to enforce in their zones, actually no agreement has been reached. The entire question, including everything which depends on it, must be batted back and forth again.

Rubble can be cleared away, buildings and bridges repaired with stone and wood, local utilities restored, canals dredged, crops planted, schools opened and much accomplished without a supply of steel. But until the quota of steel production is fixed, Germany's future economic level cannot be determined and no estimate can be made of what Germany can produce for export to buy needed raw materials and food. Nor will it be known what equipment will be surplus for reparations above the production requirements.

Among raw materials, coal is the greatest problem at present. The Silesia mines are now in Poland and controlled by the Soviet Union. The Saar mines are in the French zone. The only coal which comes into Germany from its former mines is from the Ruhr in the British zone. Lack of manpower for the mines curtails production until it is down to 40 per cent in the Saar and Ruhr, while railroad transportation is a bottleneck, not only for coal but for all distribution, including food.

Reparations still a problem

MOSCOW is fretting over its share of reparations due from the other three zones. Under the Potsdam agreement, military establishments and industries with war potentials were to be destroyed or taken as reparations. Opinions differ on any industry's military potential. On this, however, the Soviet Union and the other three are closer to agreeing than they are on the future level of German economy which now is stalled over steel.

The Potsdam agreement provided that Moscow should take what it wanted—according to all reports, it has not overlooked anything—from its annexed and occupied territory. In addition, Moscow is to receive 25 per cent of all machinery and factories in the other zones which are in excess over what is needed for Germany's new economic level. In return the Soviet Union is to supply a 15 per cent equivalent in certain raw materials from its own or occupied

territory. Until the economic level is fixed, no surplus will be distributed, and Moscow is impatient.

Only in jointly administered Berlin can the nationals of any power—or German citizens—move about freely. Elsewhere passing from one zone to another requires passports and permits like those needed to cross any international frontier. Such passports are easy to obtain in some zones and in others, as impossible as if war still were raging.

The Russians took five American correspondents on a sightseeing trip in their zone but other Americans have applied in vain for permission to see their properties, or what remains of them. Even official representatives have not entered that zone to search for American graves or to look up witnesses for the war guilt trials.

Removing Nazi-ism four ways

THE avowed objective in all zones is to eradicate Nazi-ism and to get things moving. Each occupying power goes at it differently, visioning a future Germany through its own colored glasses. As explained by one of our Information Control officers, Americans look forward to democracy, the Russians to Communist totalitarianism, the British to practical business and the French are satisfied if every German doffs his hat and humbly bows when a Frenchman passes. As a result, occupied Germany, instead of fostering the one-world ideal, is four separate demonstration fields for four brands of political and social orders and four forms of government.

One of the first moves in the Russian zone was to divide larger estates among the peasants. The Russians stick to their well-known pattern. The head of the Christian Democratic party criticized the land reforms and was removed from politics. The Social Democratic party voted to merge with the Communists though they outnumber the latter, five to one. Two Red Army officers attended the meeting and the voting was as unanimous as a Russian election. In the other zones, the Socialists overwhelmingly rejected merger.

For the United States, the question of occupation boils down to whether our democracy can be transplanted to another land and another people. The zone includes the former states of Hesse, North Wurtemberg, Baden and Bavaria. In addition to our portion of Berlin we also have port facilities in

Bremen with transit facilities through the respective Russian and British zones. Among our cities are Munich, Stuttgart, Nuremberg, Mannheim, Karlsruhe, Kassel, Regensburg and Frankfurt am Main, the administrative headquarters. More topical are Oberammergau, for its Passion Play; Dachau, Nazi prison; Wiesbaden, spa; Heidelberg, Wurzburg, Gerlanger and Marburg, universities; Limburg and Miesbach, cheese; Garmisch-Partenkirchen, winter sports: Bayreuth, Wagner; and Berchtesgaden, Hitler.

Since the State Department is not ready to take over civil administration, our Army carries on, giving its own interpretation to Directive JSC-1067 embodying the Morgenthau plan which, to some, aims to reduce Germany to a "goat pasture." In spite of these instructions, the Army could not resist the American habit of putting things in order and starting wheels moving. Also after an unconditional surrender, an army of occupation is responsible for the people and the property.

The dual effort—purging and chastising the people and bringing the American Zone back to life—have touched off a fervid battle of words in the United States. One side hotly denounces our policy as too easy on the Germans. The other describes it as inhuman.

With dignified army officers and staid gentlemen of the cloth denouncing each other as "liars," the outbursts have reached the Senate and are boiling into a national issue.

Too much normalcy?

"TOO many Americans have the mentality to build up instead of to tear down," declared one man who returned, disgusted with his job. "There is not enough indoctrination and too much restoring to normal life."

"We have taken into Germany the evil of our yokel naïveté," another explains, "our puppy friendliness, our good-time Johnny proclivities, our Main Street desire to be popular and our easy going small town ways."

"While we have no desire to be unduly cruel to Germany, I cannot feel any great sympathy for those who caused the death of so many human beings," President Truman wrote to Senator Hawkes for the *Congressional Record*. "I admit that there are, of course, many innocent people in Germany who had little to do with Nazi terror,"

(Continued on page 102)



He had handy gadgets in his cab and offered cigarettes

You, Too, Can Be A Showman

By KEITH MONROE

IT is not necessary to be in the entertainment business to use showmanship as a tool for creating a big improvement in demand. good will and employee relations

A CERTAIN CAB DRIVER gets phone calls from all over the city demanding his taxi. A certain shoeshine stand has customers lined up across the sidewalk waiting for shines. A certain lunch counter draws patrons from miles away. Why? Because these little enterprises are operated by showmen.

Through showmanship, a funeral director won public praise from newspapers, radio stations and civic clubs in his city. Through showmanship, a life insurance salesman sold more policies to farmers than ever before in the company's history. Through showmanship, a factory reduced its total of spoiled material to an all-time low. Through showmanship, a food company made enthusiastic boosters of all its employees. Adroit ballyhoo is no longer the exclusive province of the entertainment industry. Every business man can be a showman now.

More and more executives are finding that showmanship is a powerful tool in selling goods, keeping customers happy, improving labor relations, and increasing internal efficiency.

It works for mammoth corporations and one-man peanut stands. It can be applied to a simple desk blotter or a million-dollar World's Fair exhibit. Wherever it is applied, if used with imagination, it gets results—because people enjoy a good show.

Consider the case of the cab driver who owned his own taxi. He fixed up his cab with a mirror on the back of the driver's seat, set at a convenient angle for lady fares. He offered passengers a complimentary cigarette of their favorite brand, and a matchbook with his phone number on it. He gets un-

usually good tips, and a steady stream of calls.

A shoeshine stand uses similar showmanship to make itself popular. It opened amid a gala floral display, to the music of a three-piece orchestra. From the first day it regaled patrons with the newest magazines and pleasant radio mu-

sic. As a result, customers stand in line.

One of the most effective devices of business showmanship is "audience participation." Instead of keeping the customer in a passive role, the imaginative business man gives him something to do—makes him the hero of the show, instead



GEORGE LOHR

One successful shoeshine parlor opened amid a gala floral display, and with the music of a three-piece orchestra

of part of the audience. As an example, the lunch counter already mentioned attracts customers simply by letting them make their own sandwiches, punch their checks, and make their own change—all at considerable profit to the owner, who spends most of his time washing the dishes.

Customers serve themselves

THE Playroom, a smart New York restaurant, invites customers to fry their own hamburgers. Another restaurant gives out matchbooks imprinted with crosses for playing ticktacktoe. In Waller, Texas, is a retail store where customers wait on themselves, and set their own prices. There are no prices on the

hammer; customers crowd the counter. A mid-western retailer gets passers-by to stand in line before his window, simply by allowing them to press the button which illuminates the display. An automobile dealer puts a car on a turn-table which moves if a window-shopper touches a red spot on the window; the card beside it reads "Finger-tip steering on the new Chevrolet—the easiest car to handle." The American Furniture Company gives instalment buyers the privilege of setting their own terms. Buyers actually set shorter terms than the company would have, and subsequently seem to feel more obligated to live up to the bargain they make.

The Nebraska Clothing Company stages fashion previews, and has the audience vote on the types of clothes which will be sold during the next season. Seagram's Whiskies incorporated an electric horse-race into its outdoor sign in Times Square; the outcome of the race was different each time.

Mirrors sell

A CHRYSLER dealer once discovered that a car placed at one certain spot on his sales floor would sell twice as fast as from any other spot. Checking up, he found that large wall mirrors made it possible for prospects sitting in this car to see how they looked in a Chrysler. Since then, many alert business showmen have been using mirrors to make a cus-

mer feel he's part of the show. Desk salesmen install a large wall mirror in front of an expensive desk, so a prospect can sit at the desk and behold himself in the splendid setting. Luggage salesmen use full-length mirrors to show a customer how he looks flanked with fine luggage.

Department stores sell razor blades by putting special posters in men's clothing departments. The posters are pasted over mirrors, with the center cut away so that a man sees his own face in the middle of the poster when he reads

the question: "Do you get smooth, clean shaves on every blade?" The same device works well for keeping a company's own salesmen up to snuff; several companies keep a large mirror in their salesmen's rest room, imprinted with the words, "This is how you look to the customer."

Employees run a school

"AUDIENCE participation" is also a helpful tool for showmanship in employee relations. One executive who is using it with spectacular success is Cloud Wampler, president of Carrier Corporation, an air-conditioning manufacturer. He encouraged his workers to organize the Carrier Institute of Business, with an all-employee board of managers, which arranges for voluntary educational meetings of employees after hours. Wampler and the other company executives appear and let the workers pepper them with any questions they choose. The management men answer as frankly as if they were facing directors at a board meeting instead of an assemblage of drill-press operators, sheet-metal workers, electricians and typists. The result has been a deep change in the employees' attitude toward the company and toward industry in general. Questionnaires distributed periodically show that only two per cent of the workers now want government control of industry, as compared with 14 per cent before the Institute was organized; the percentage was decreased from 40 to 13 on the proposition that "The average American corporation ought to put more money into wages for employees and less into advertising."

Abbott Laboratories has carried the same procedure a step farther. It has established a Group Management Plan by which employees serve on management committees. President S. DeWitt Clough credits this plan with much of the company's \$10,000,000 increase in sales (exclusive of government orders) from 1941 to 1943. As a typical example of the plan's benefits, Clough cites one committee which was organized to watch sales of every Abbott product, and remove it from the line when sales no longer indicated enough demand to make the product profitable. The company now has about 400 fewer items than it had when the committee was organized—yet its sales are up 62 per cent without including war orders in the total.

McCormick & Co., manufacturer and distributor of spices, teas and

He showed a picture
of "wind"—and sold
more insurance.



merchandise—merely a tag on every item, showing what that particular article cost the store. The customer selects an article, wraps it himself, and pays whatever he thinks the owner's profit should be. The store has been operating at a profit for 23 years.

Any and every kind of business is using the audience participation technique nowadays. The Cheney Hammer Company has a counter display that capitalizes the human urge to whack something with a hammer—the display supplies a block of wood, nails, and a Cheney

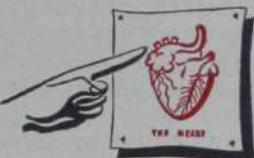
Your heart doesn't look like

this!



It is a complicated pump about the

size of your fist,



daily circulating over

9000 quarts of blood through miles of arteries.

Enemies that place an extra load on your

heart are—*high blood pressure . . . hardening of*

the arteries . . . unwise physical strain . . .



infectious diseases . . . and infected tonsils or

teeth. Overweight, too, makes your heart



work harder, so keep your weight down!

Are you a friend of your heart?
You can be! Be moderate in
your habits of exercise. Avoid
loss of sleep. Have periodic
physical and dental examinations.

For more information about
the heart, send for Metropolitan's
free booklet, 46-P, "Protecting Your Heart."

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TO EMPLOYERS: Your employees will benefit from understanding these helpful facts about the heart. Metropolitan will gladly send you enlarged copies of this advertisement—suitable for use on your bulletin boards.



The Pied Piper of Bunko is all set to lead the unwary citizen into financial pitfalls

Boom Time for Gyp Schemes

By DONN LAYNE

"LET A KNAVE propose to deceive men, and he will never lack dupes." So wrote Frederick the Great to Voltaire some 175 years ago. And within the next two years hundreds of smiling, benevolent-appearing, honest-looking knaves will bilk untold thousands of their fellow Americans out of good folding money.

The "take"—as attested by experts—will total at least \$2,000,-000,000, the figure being based upon Treasury estimates that, at the close of 1945, individuals held the unprecedented sum of \$181,-000,000,000 in liquid assets—three times their holding of six years ago.

Reliable figures, however, as to how many guileless adults will be bamboozled out of so much wam-pum by such-and-such number of guileful crooks are difficult to compile, mainly because skin-game victims are, as a rule, too vain to report their losses to local police—and thus disclose their own gullibility. In fact—and it happens many times a day throughout the land—many a victim phones the police or the nearest office of the

THOUSANDS of veterans, war workers and housewives will invest before they investigate and will thus become victims of some racketeer. Here is a brief outline of how the fleeced are likely to get "taken"

Better Business Bureau, to complain about a swindle of one kind or another but refuses to give his name or mention the amount he was taken for. Most authorities and interested observers of shady business transactions and trends, agree that conditions have never been better for an above-normal harvest.

This conclusion is based upon:

1. Widely held, extraordinarily high savings.
2. Tremendous pent-up demand for both hard and soft goods.
3. The 600,000 decrease, in the past five years, in the number of business enterprises operating in the United States—most of the absentees being small retail and service establishments.

4. The high possibility that some 3,000,000 service men and women—in addition to many war workers and others—may decide to go into business for themselves.

Thus, a situation has developed in which many individuals, most of them veterans, will be cold meat for the sharpster.

In addition to the "selling" of the Golden Gate Bridge, or a street car in Chicago, or the lambs in Central Park, the National Association of Better Business Bureaus has listed more than 800 different ways by which a gyp artist can mulct the unwary.

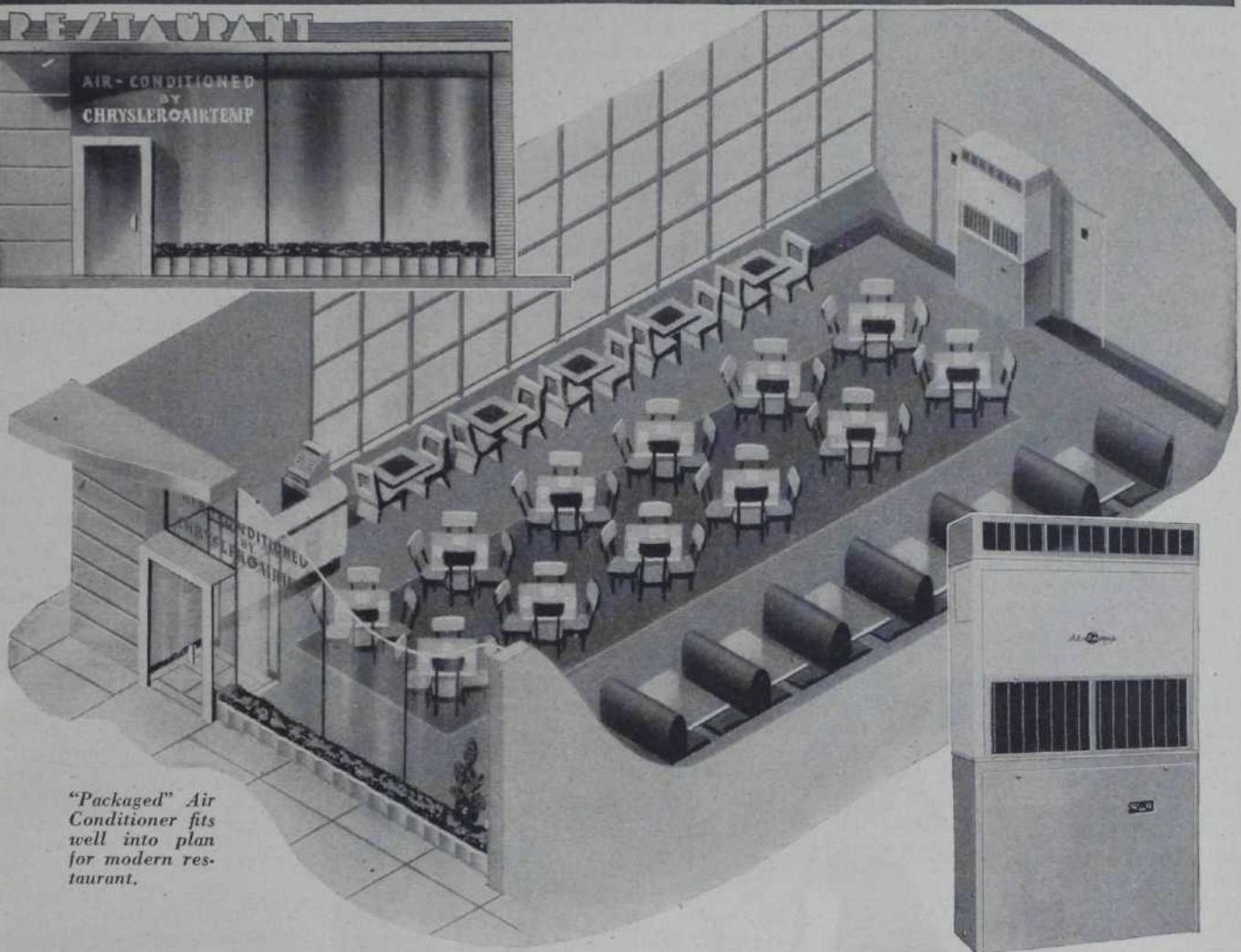
Civic-minded business men can serve both their communities and the veterans if they but keep their trained eyes on the lookout for the various schemes which the veteran,

CHRYSLER AIRTEMP



RESTAURANT

AIR-COndITIONED
BY
CHRYSLER AIRTEMP



"Packaged" Air Conditioner fits well into plan for modern restaurant.

Design for Greater Summer Profits

Be it a model restaurant, like the above, or any type of store, old or new, you can increase profits by installing "Packaged" Air Conditioners, the simplified form of air conditioning pioneered by Chrysler Airtemp.

The delightfully cool, filtered-clean air is a magnet for customers. They stay longer and buy more. And, you'll find your employees more efficient and contented, too.

"Packaged" Air Conditioners are engineered to fit into any store plan. They occupy little space, can be installed easily, singly or in multiple, and can be moved as readily as a showcase—a

great advantage when remodeling or changing location. They require very little attention—upkeep and operating costs are sensationaly low, as shown by performance records all over the country.

Behind these "Packaged" Air Conditioners is Chrysler Corporation with its fine reputation for engineering and mass production skill—your assurance of high quality at low cost.

For greater summer profits, investigate "Packaged" Air Conditioners—write Airtemp Division of Chrysler Corporation, Dayton 1, Ohio. In Canada—Therm-O-Rite Products, Ltd., Toronto.

"REMEMBER THURSDAY NIGHT! The music of Andre Kostelanetz and the musical world's most popular stars—Thursday, CBS, 9:00 P.M., E.S.T."

AIR CONDITIONING
HEATING • COOLING • REFRIGERATION

who is searching for an opportunity to go into business, should carefully avoid.

Haste prevents investigation

SOME veterans will run afoul of the irresponsible business broker who is interested only in getting a commission as an agent of the business seller. This operator appears to be looking at life through rose-colored glasses. Every business "opportunity" he has to offer is a little "gold mine" which the owner has to give up due to his wife's health—and if the veteran wants it he will have to move fast before somebody else snatches it. In fact, there won't be enough time to go to the neighborhood where the business is located and visit with other business men there; nor is there time to put the deal in escrow with a bank while the veteran's lawyer and accountant check on the records, equipment, obligations, inventory and profits. So the veteran takes the broker's advice, moves fast, buys and goes broke.

Other "brokers," in collusion with unscrupulous, small-shop owners, work the "option" game on the overanxious but more cautious type of prospective buyer. The victim is told that it won't take much money to swing the deal and that he can have a little time, if he desires, to check up on the business; but, if he wants to hold the deal open, he will have to make a small purchase-option deposit of some \$300 or \$400.

The would-be purchaser thinks this is a fair enough suggestion and hands over the cash, only to discover, later, that he hasn't sufficient capital to take over the inventory of the business, let alone make a first payment on the asking price. So the deal doesn't go through, and the victim loses his option deposit—all "legal and clear from any taint of fraud."

There will also be some veterans so eager to get into a business of their own that they will be easy dupes for the "listing fee" racket. In this operation, the business broker talks a veteran—or anyone else—into paying him a fee to list his name and help find the type of

business desired. As a rule these listing fees are disguised as expenses for advertising or for scouting prospective sellers.

None of these relatively few unethical operators could function as easily as they do if it were not for the fact that they trade upon the good will and confidence which has been created by the decent and honest business brokers of the country who actually provide the services they offer the public.

"Partner wanted" propositions will no doubt net their share of victims, too. Posing as the owner of a supposedly profitable business, but needing new funds for expansion or what-not, many a deceptive and insolvent small-shop operator will take in as many partners as possible for all the cash he can get—and then disappear. Each of his new partners, of course, will be legally responsible for all the firm's old debts.

Financing "angels" will also indicate their generosity by offering to arrange a loan to those whose businesses need it. Of course, an advance fee, "just to pay for expenses," is necessary. The "angel"

swindlers go in for the advertising of attractive jobs and then request the applicants to deposit a cash bond.

Others offer large earnings or a better than average weekly salary to hopeful job-seekers who will "invest" in the business of the promoter. No small number of neophytes will fall for this proposition, and then blame the American system instead of their own naïveté.

And many a high-pressure confidence man makes an easy living selling "territorial rights" for real or mythical products. In no time at all some 15 or 20 of his buyer-victims of the same territory are stewing and stuttering about prior legal rights, while the happy cheat is making ready for another "kill" in a new spot—and passing the time pouring champagne for drug-store blondes.

Contracts prove worthless

"BUY-BACK contracts" are also used to separate the unwary from their dollars. Like money-back guarantees, which are no better than the guarantors, they are frequently worthless promises made by dishonest but trustworthy appearing promoters.

The racket may take the form of offering land in a distant state on a cooperative arrangement to raise fruits or nuts. The land is sold at exorbitant prices, the hazards are minimized, and a buy-back contract is made to purchase the crops at a "neat profit" to the victim.

Animal breeding promotions or fur farms are often used in connection with the buy-back scheme, with promises to buy the progeny of the biological investment at high but fictitious prices.

Another ruse is to advertise lucrative home employment in the help wanted columns and, when the bait is taken, sell the applicant a lot of "home work" equipment and small machinery at tremendous profit. There is a contract to buy back the items made at home if they come up to standard specifications—which they never do.

Quack, fly-by-night schools and training establishments may soon move into the big money, too. The

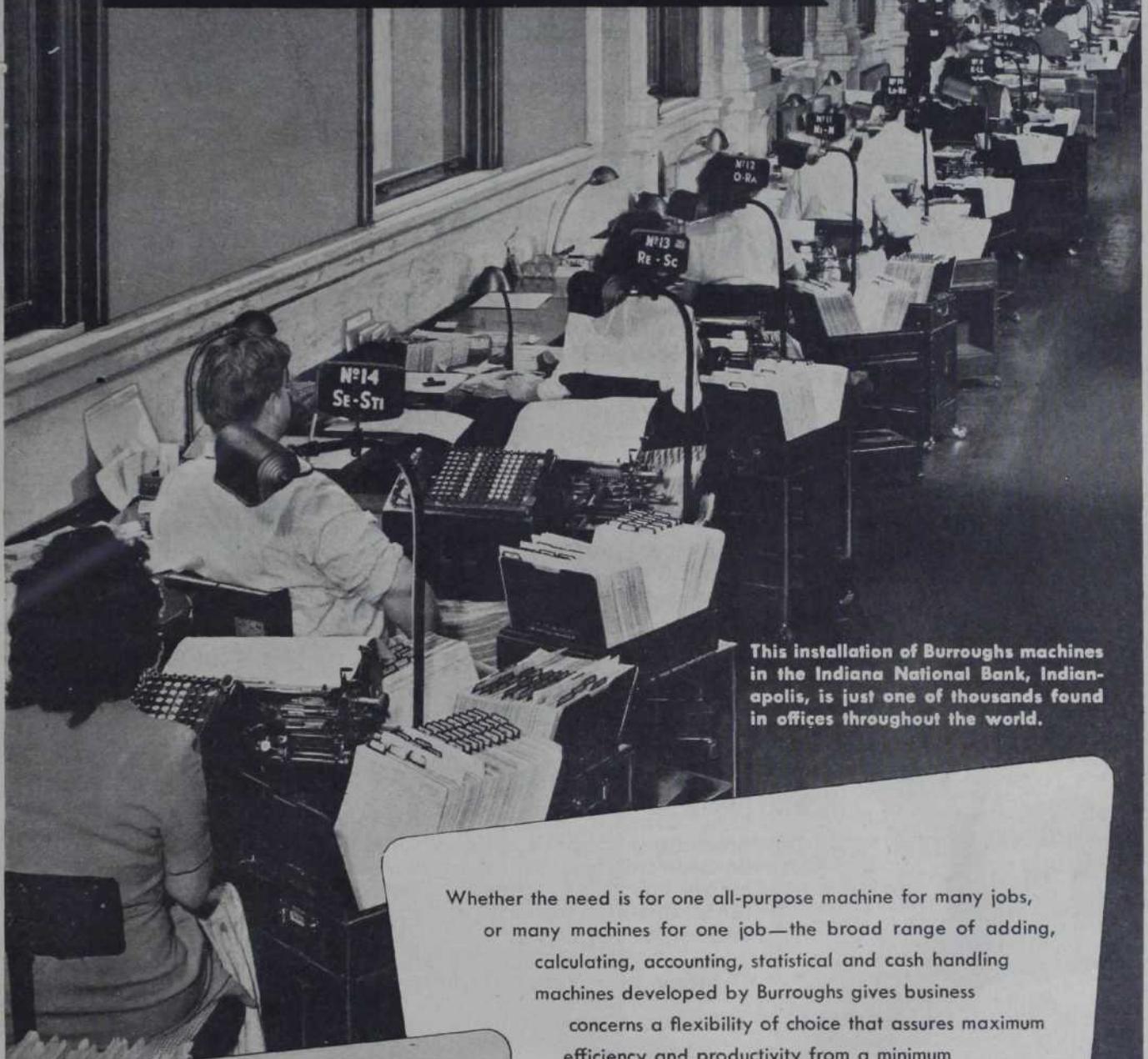


The con-man only wants to "do you a favor"
—and that is the last one sees of the cash

is thereby financed sufficiently to fly a long way off and the business is fleeced. This same fleecing is worked by smooth-talking promoters who offer to incorporate one's business and assist in selling stock. They, too, will call for advance fees to be paid to them or their associates. Their destinations, on leaving town, are usually unknown.

This "advance fee" fraud is a special favorite. Some fatherly old

WHEREVER YOU GO— YOU SEE BURROUGHS MACHINES



This installation of Burroughs machines in the Indiana National Bank, Indianapolis, is just one of thousands found in offices throughout the world.

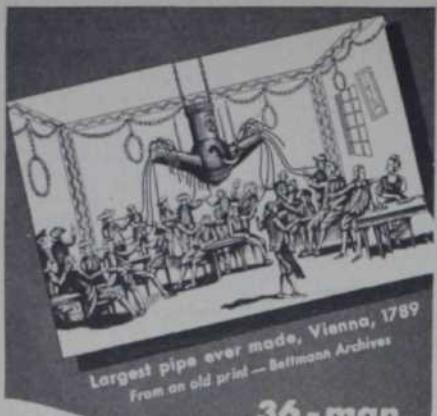
Whether the need is for one all-purpose machine for many jobs, or many machines for one job—the broad range of adding, calculating, accounting, statistical and cash handling machines developed by Burroughs gives business concerns a flexibility of choice that assures maximum efficiency and productivity from a minimum investment in equipment. That business concerns, large and small, have found it pays to do business with Burroughs is amply reflected in the fact that you see Burroughs machines wherever you go.

BURROUGHS ADDING MACHINE COMPANY
DETROIT 32, MICHIGAN

1st
Burroughs

IN MACHINES
IN COUNSEL
IN SERVICE

FIGURING, ACCOUNTING AND STATISTICAL MACHINES • NATIONWIDE MAINTENANCE SERVICE • BUSINESS MACHINE SUPPLIES



Largest pipe ever made, Vienna, 1789
From an old print — Bettmann Archives

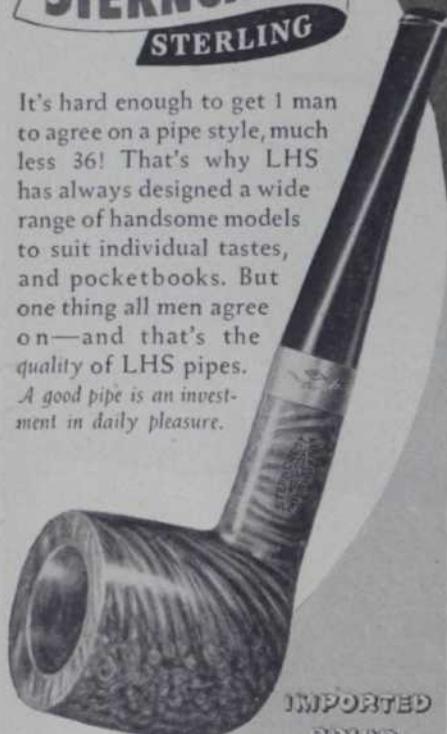
36-man pipe

1-man pipe

LHS
STERNCREST
STERLING

It's hard enough to get 1 man to agree on a pipe style, much less 36! That's why LHS has always designed a wide range of handsome models to suit individual tastes, and pocketbooks. But one thing all men agree on—and that's the quality of LHS pipes.

A good pipe is an investment in daily pleasure.



IMPORTED
BRIAR

LHS Pipes Include

Imported Briar

LHS Sterncrest Ultrafine	\$10.00
LHS Sterncrest 14K	7.50
LHS Certified Purex	3.50
LHS Purex Superfine (Domestic Briar)	1.50

at good dealers everywhere.

\$5

Model #21.
Plain Finish.
Other hand-
some mod-
els. Plain or
Antique.



Zeus Filter Cigarette Holders are back
in ALUMINUM with handy ejector
Standard model \$1; De Luxe \$2.

FREE. Write for "Pipes—for a World of Pleasure"
L & H STERN, INC., 56 Pearl St., Brooklyn 1, N.Y.

GI bill, with its educational and training tuition fees—up to \$500 a year for four years to each veteran, depending upon length of service—offers a field for a quick cleanup.

Racketeers in trade, technical and liberal educational activities, taking advantage of overcrowded conditions in legitimate colleges and institutions, are eager to snare as much as they can of the possible \$500,000,000 to be spent yearly for veteran education. If the busi-

of deceit, easy money and affability. Some—veterans as well as others—eager to get to work, will innocently become the employees, stooges or partners of racketeers.

They, as well as the honest public, will be helped if alert business men, suspecting trickery, will report the situation to the nearest Better Business Bureau which, from its experience in the handling of such matters, will know how to proceed with the necessary action.



First he gets the victim's confidence,
next the "deposit," and then he scoots

ness men are quick to spot and close down these "educational" promotions, many a veteran will be saved from wasting not only his money but also his time in study for a worthless diploma, or inept and useless job training.

Many tricks, many victims

ALTHOUGH the grab-and-run artists expect their easiest victims to be veterans, housewives will no doubt be the source of much easy money, too. The down-payment deposits given to "door-to-door" swindlers posing as salesmen for scarce household appliances will run into important totals. And the combined take of hundreds of other schemes, ranging from miraculous remedies from the jungles of Java, to cash collections for immortalizing the war's dead would, if Uncle Sam could get hold of it, pay the interest on the national debt.

Many an honest citizen will unwittingly help stir this whirlpool

Naturally, frauds conducted by mail can be dealt with by the postal authorities; and, if a crook, in skinning his victim, crosses a state line even by wire or telephone, FBI sleuths can then enter the case.

As a rule, few of the unlucky victims will ever have the satisfaction of seeing their tormentors placed in the pokey—not that confidence men don't end up there—but their sly methods, and mileage placed between zones of operations, keep them free from locked enclosures for long periods.

Nor will any significant number of swindled veterans, housewives or others have the good fortune to have their losses returned—if their swindler is caught. After all, the creed of the sharpers is to "keep the money in circulation." Anybody's money. And they do.

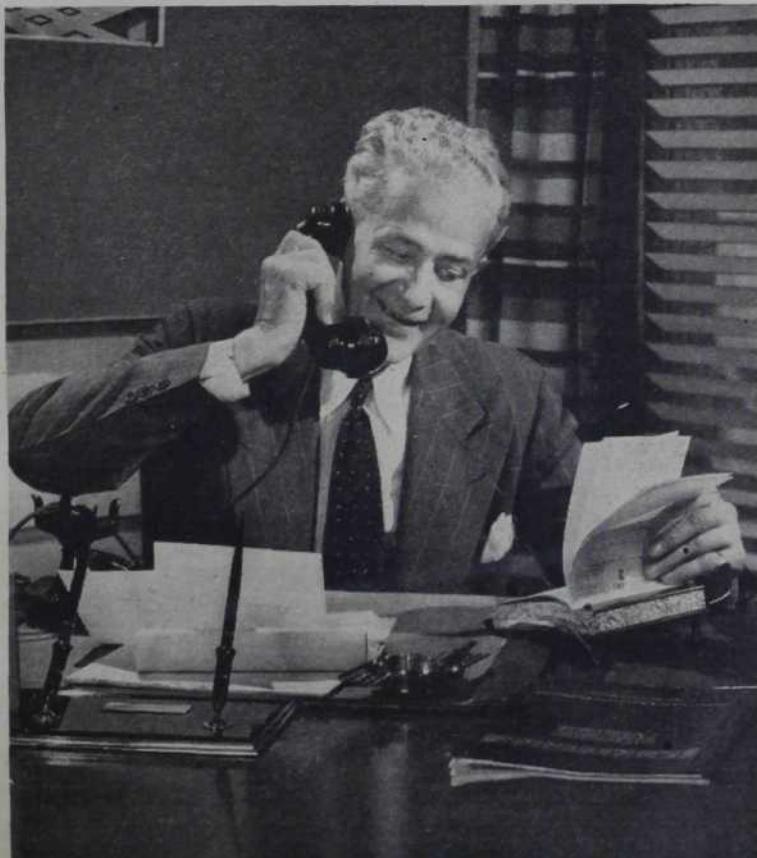
In truth, the best advice to give the unwary is to repeat to them the slogan of the Better Business Bureaus, namely, "Before you invest—investigate."

Sleeping Car Restrictions Removed!



1. NOW YOU CAN sleep going anywhere you go by train. Sleeping car service on runs of 450 miles or less—banned since last July—has been

fully restored.* No need now to waste valuable daytime hours traveling. Reserve a Pullman bed—arrive refreshed by a good night's rest!



2. NOW YOU CAN reserve Pullman space well in advance of your trip—the ban against making reservations more than 14 days ahead is off.* No need now to make last-minute travel plans. Make them *early*—make Pullman comfort, safety and service an important part of them!

* Pullman's war job won't be over till the last veteran is home, but future military travel requirements permit the government to lift the ban on the operation of overnight sleeping car lines and to remove the restrictions on advance reservations of accommodations.

GO PULLMAN

THE SAFEST, MOST COMFORTABLE WAY
OF GOING PLACES FAST!

© 1946, THE PULLMAN COMPANY



What's 50 Billion Footsteps to KENTILE...?

We're not boasting. We're stating facts—facts that make Kentile the smartest looking, longest wearing, low cost flooring you could choose.

FACT NO. 1—A Kentile floor will take all the heel jabbing, the pounding, the constant daily friction of billions of footsteps—for years—without showing signs of wear.

FACT NO. 2—A Kentile floor will "come clean" with simple soap-and-water mopping. Colors never fade, and they go all the way through.

FACT NO. 3—A Kentile floor makes alterations simple. You just add new squares where needed.

Investigate this new (but tried and tested) flooring. Your own figuring will prove Kentile, foot for foot, costs less. Consider the unlimited tile-set color combinations and design possibilities. Authorized contractors lay Kentile without interfering with your business routine. A fully detailed, color folder gives you all the facts, reproduces patterns and colors. Send for it today. No obligation is involved.

KENTILE
Asphalt Tile
Trade Mark Reg.



DAVID E. KENNEDY, INC.
85 SECOND AVE., BROOKLYN 15, N.Y.
ALSO IN ATLANTA • SAN FRANCISCO • CLEVELAND
CHICAGO • BOSTON • PITTSBURGH • WASHINGTON, D.C.

Just What the Doctor Ordered

JOE was a picture of health. What's more, he'd never been seriously ill in his life. But when Joe had his chest X-rayed as part of his company's medical program, he found that he had active tuberculosis.

Fortunately for Joe and thousands like him, the disease had been discovered while still in its earliest stages where it could almost invariably be cured in a short time without too much trouble.

He would not have to face the depressing thought that his family, deprived of their breadwinner, might become a burden to society while he passed the rest of his days in a sanatorium.

Tuberculosis in its advanced stages is a killer for which there is no cure. More than 60,000 Americans will die from it this year. More women between the ages of 20 and 40 will die from tuberculosis than any other disease.

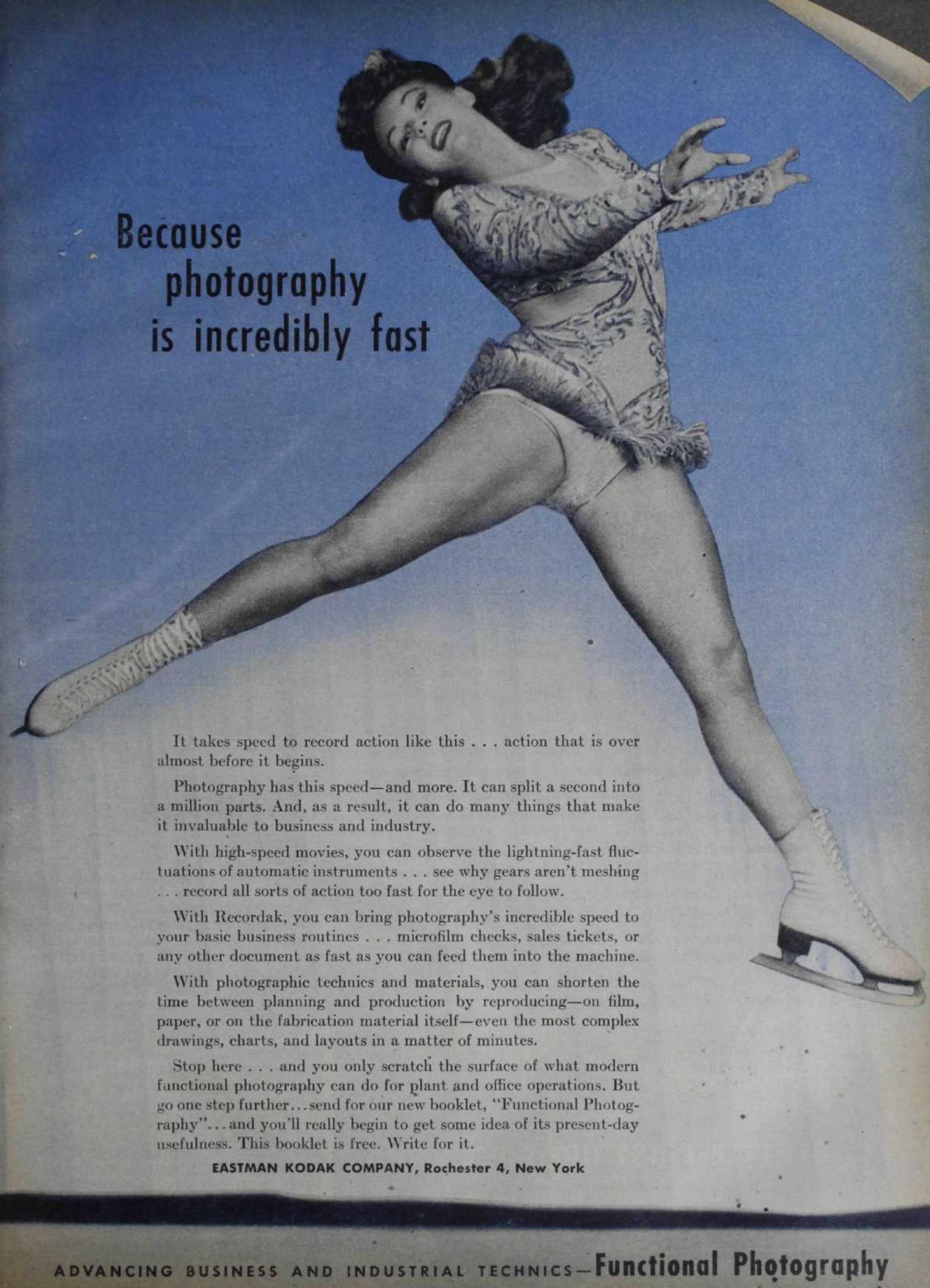
Yet, years ago it was recognized that effective control of tuberculosis lay in discovering the disease in its incipience. Unfortunately, tuberculosis at this point frequently produces no symptoms, and an X-ray of the chest is necessary to discover evidence of infection. Until some method of providing mass X-ray could be perfected, it was usually only the advanced cases which were seen by the physician.

Small film fights TB

WORLD WAR II brought with it the answer to this problem. Army induction stations, equipped with X-ray machines using miniature roll film in place of the large and expensive plates, were able to screen large numbers of men in relatively short periods—about 200 an hour. Incidentally, more than 150,000 men in the prime of life had to be rejected because of X-ray evidence of tuberculosis.

This new technique of mass survey was just what the doctor needed and industry was not long in adopting it. About one-fifth of the country's population was X-rayed during the war. Recently the Chamber of Commerce of the United States joined the ever growing ranks of active participants in the war against tuberculosis by providing X-ray service for its employees.

To the business man and the worker, the dollar-and-cents, as



Because photography is incredibly fast

It takes speed to record action like this . . . action that is over almost before it begins.

Photography has this speed—and more. It can split a second into a million parts. And, as a result, it can do many things that make it invaluable to business and industry.

With high-speed movies, you can observe the lightning-fast fluctuations of automatic instruments . . . see why gears aren't meshing . . . record all sorts of action too fast for the eye to follow.

With Recordak, you can bring photography's incredible speed to your basic business routines . . . microfilm checks, sales tickets, or any other document as fast as you can feed them into the machine.

With photographic techniques and materials, you can shorten the time between planning and production by reproducing—on film, paper, or on the fabrication material itself—even the most complex drawings, charts, and layouts in a matter of minutes.

Stop here . . . and you only scratch the surface of what modern functional photography can do for plant and office operations. But go one step further...send for our new booklet, "Functional Photography"...and you'll really begin to get some idea of its present-day usefulness. This booklet is free. Write for it.

EASTMAN KODAK COMPANY, Rochester 4, New York



YOU'RE HEARING MORE ABOUT THE PACIFIC NORTHWEST

WAR PRODUCTION turned the spotlight on the State of Washington. B-17 and B-29 planes carried the fame of Seattle around the world. Grand Coulee Dam and the Atomic Bomb plant at Richland have become symbols of boundless power.

This State has many other resources and industries—perhaps less spectacular but of growing importance. Its expanded population offers a great new market for countless products.

Business concerns planning to make new connections in the Pacific Northwest or to extend their operations can obtain from this bank complete financial service—either in regular commercial operations or those involving consumer credit financing.

*38 banking offices covering the
State of Washington*

Member Federal Reserve System

Member Federal Deposit Insurance Corporation



SEATTLE-FIRST NATIONAL BANK

Main Office—Seattle
Spokane and Eastern Division—Spokane

well as the human welfare, aspect of tuberculosis is important. A highly communicable disease, it can easily be spread by an infected worker to those working near him. It can cause the loss of many man-hours of work.

An employer who spends thousands of dollars each year to maintain his plant and machines in good working condition looks on this expenditure as a good investment. Surely, a better investment is to maintain the health of the workers who operate the plants and run the machines.

What company, if it had the money, wouldn't spend several million dollars to save itself a billion? That's exactly what this country as a whole is doing. By spending several million annually—private contributions through the sale of Christmas seals alone total \$15,000,000—we have succeeded in saving countless lives and needless expense representing a saving each year to the nation of more than \$1,000,000,000.

—WILLIAM W. OWENS

What's Showing?

MOVETIME, INC., a new organization in New York City, gives out information on the titles, casts and showing times of all motion pictures in the 693 theaters in the local metropolitan area.

According to its founder, Julius Polinger, phone inquiries not only tie up theater managers and box office attendants for almost 25 per cent of their working day, but the theaters run the risk of losing business due to repeated busy signals.

Movietime, with a staff of 45 trained operators and special switchboard equipment, gives the caller the desired information within six seconds. This combined public service and business venture, predicated on handling 100,000 calls a day, expects to be able to take care of 10,000 an hour, and to operate for 80 hours over a seven-day week. Fees are based on whether the theater is a first, second or third run house and on its seating capacity.

The advertising program to make Movietime's services known to the New York public will include sending material to every person listed in the phone directory.

Polinger's plans for the future include the advertising and exploitation of "coming attractions" as well as information about the legitimate theater, lectures, concerts, sporting events and other metropolitan activities.

Here's a Business Proposition

FOR THE RIGHT MANUFACTURER

TO qualified American manufacturers, the opportunity is now offered to establish a business in Puerto Rico, U. S. A., under conditions exceptionally favorable to sound and rapid growth.

A new plant will be built to your own specifications, on a site of your own choice, then leased to you for as little as 1% of cost.

You will have an ample supply of intelligent, cooperative labor.

You will be close to rich sources of necessary raw materials.

You will be centrally situated to sell to all markets in the Western Hemisphere, both in North and South America, with direct steamer service to principal U. S. ports.

Your home market will be one with the largest per capita purchasing power in the Caribbean.

You will enjoy favorable tax arrangements, and have access to convenient financing, both through local banks and through Puerto Rico offices of leading New York banking firms.

You will be doing business on *United States soil*, and with *United States currency*, without any tariffs either way.

Why Is This Offer Being Made?

These are only a few aspects of the unique opportunity which is described fully in a new, factual report for businessmen, entitled "*Industrial Opportunities in Puerto Rico, U. S. A.*" It will be sent to responsible executives upon request.

The offer is made by the Puerto Rico Development Company—a public corporation created to assist American businessmen, continental and Puerto Rican, to share profitably in the industrial development of a territory of the United States—Puerto Rico, U. S. A.



DID YOU KNOW...That Puerto Rico is almost equi-distant from North and South America? Is only about 10½ hours by air to New York? Has a naturally "air-conditioned" climate? Offers liberal inducements to new private industries, including Government help? For basic business facts about Puerto Rico, U. S. A., get new book—free to executives.

A Book of Business Facts

This book is a careful analysis, prepared by the Puerto Rico Development Company to help you plan for your future. It answers concisely the questions you would naturally ask in evaluating a new business proposition. For example:

- ★ What types of skilled manpower are available?
- ★ What wages do Puerto Ricans earn?
- ★ How much will it cost to operate a plant in Puerto Rico?

- ★ Where can I get raw material?
- ★ How can I get financial help?
- ★ How can I estimate the market possibilities?
- ★ Will I enjoy living in Puerto Rico? These questions and dozens of others are discussed in this new book. The answers to these questions will help you decide whether yours is the right type of concern to profit from the advantages offered by Puerto Rico. The coupon below brings you this booklet without cost or obligation of any kind.



PUERTO RICO DEVELOPMENT COMPANY

San Juan 12, Puerto Rico, U. S. A.

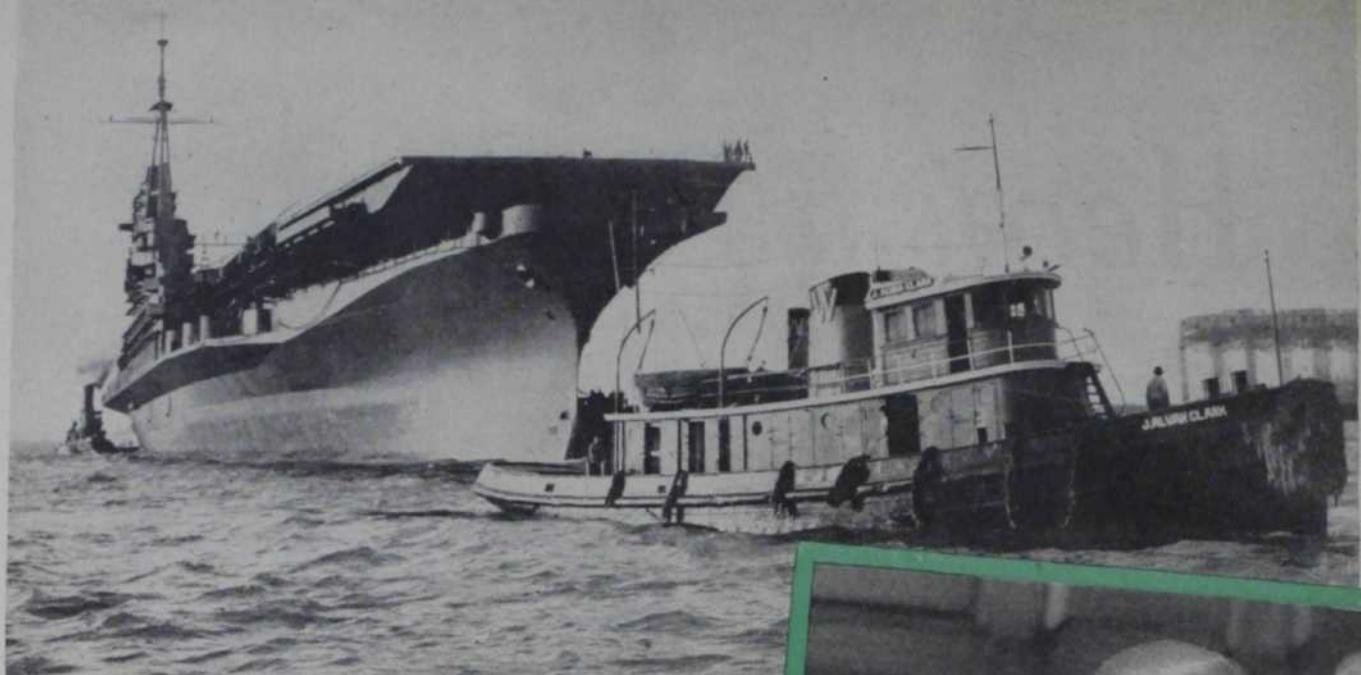
Puerto Rico Development Company
San Juan 12, Puerto Rico, U. S. A., Dept. 1-C

Please send me your 48-page illustrated brochure, *Industrial Opportunities in Puerto Rico, U. S. A.*, which shows the exceptional advantages Puerto Rico offers to American manufacturers; its ample supply of labor; its accessibility to markets and materials; and its complete familiarity with the ways and manners of both Americas.

Name: _____

Address: _____

City and State: _____



Hull No. 1, built in 1891, leads the way as the Company's biggest and newest ship moves to sea

A Ship Has To Be Right

By G. B. ARTHUR

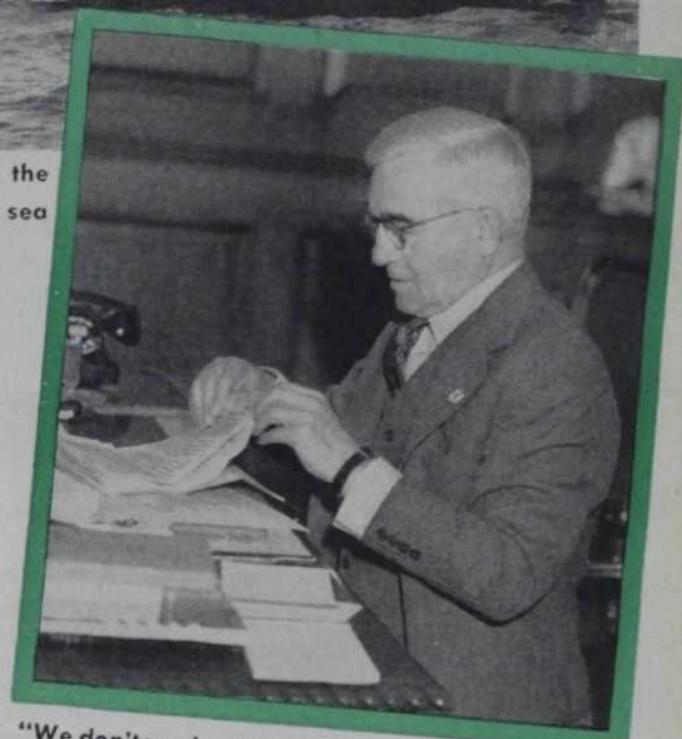
SHIPBUILDING has high ups and low downs but in Newport News a company has filled in poor years and taken care of its men

NEWPORt NEWS, VA., didn't even rate a dot on the map in 1885. It was sheer optimism when the local boosters filed their fourth petition for a country post office for their three-year-old settlement. It simply wasn't warranted.

"Unwarranted optimism," too, was a polite way of putting what his colleagues thought of Collis P. Huntington's investment that year when he picked this insignificant village for his newest venture, the Newport News Shipbuilding and Dry Dock Company. But in its 60 years of operation putting Newport News on the map is one of the least of the items on this company's record of achievement.

Shipbuilding cannot be financed on the traditional shoestring. It takes a large scale capital investment merely to be in a position to bid on construction.

Today the Newport News yard sprawls over more than a mile of waterfront. Seven long outfitting piers



"We don't work with materials, we work with men," says Homer Ferguson, who came from the ranks

thrust out into the James River. Beyond them are eight shipways and three dry docks. Fourteen miles of standard gauge railway interlace the plant. The yard itself is as self-sufficient as its engineers could make it. It is equipped to fashion any repair part and can produce castings in iron, steel, brass, bronze or aluminum. There are a forge, sheet metal shop, galvanizing plant and plating facilities. Included are a saw mill, woodworking shop, rigging loft and a canvas shop. More than 25 separate crafts are practiced there.

For a company such as this, equipped to build or repair anything from a tugboat to an aircraft carrier, the usual hazards of fluctuating business cycles are augmented by both national and international political developments. The nearly forgotten Disarmament Conference, for instance, meant contract can-

(Continued on page 73)



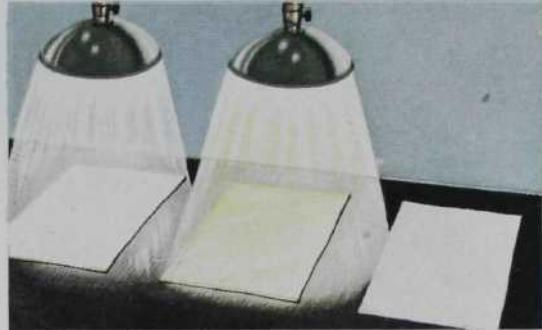
Test your word knowledge

of Paper and Printing



1. Dragon's Blood

- Shade of red ink
- Over-dramatic copy
- Resinous powder used in etching



2. Brightness

- Degree of whiteness
- Reflectivity of paper for yellow light
- Color tints in paper



3. Broadside

- Large advertisement in folder form
- Single sheet, printed one side
- Single sheet, printed both sides



4. Trufect

- An etching process
- A type of matrix
- An ultra-quality printing paper

ANSWERS

1 Dragon's Blood, a resinous powder, protects certain areas of an etched plate while others are being etched more deeply. The subtlest values of beautiful engravings show to perfection when run on Levelcoat, considered by fine printers throughout the country to be unsurpassed in paper.

2 Brightness in paper is measured by its degree of whiteness. Brightness is a well-known characteristic of Levelcoat Printing Papers, a factor which gives halftones the contrast and vitality of life-like reproduction.

3 Broadside, though often regarded as any type of mailer, is technically a large folder which, when opened, forms one large advertisement. Printed on one or both sides, lustrous Levelcoat makes every sheet a perfect background for color or for text.

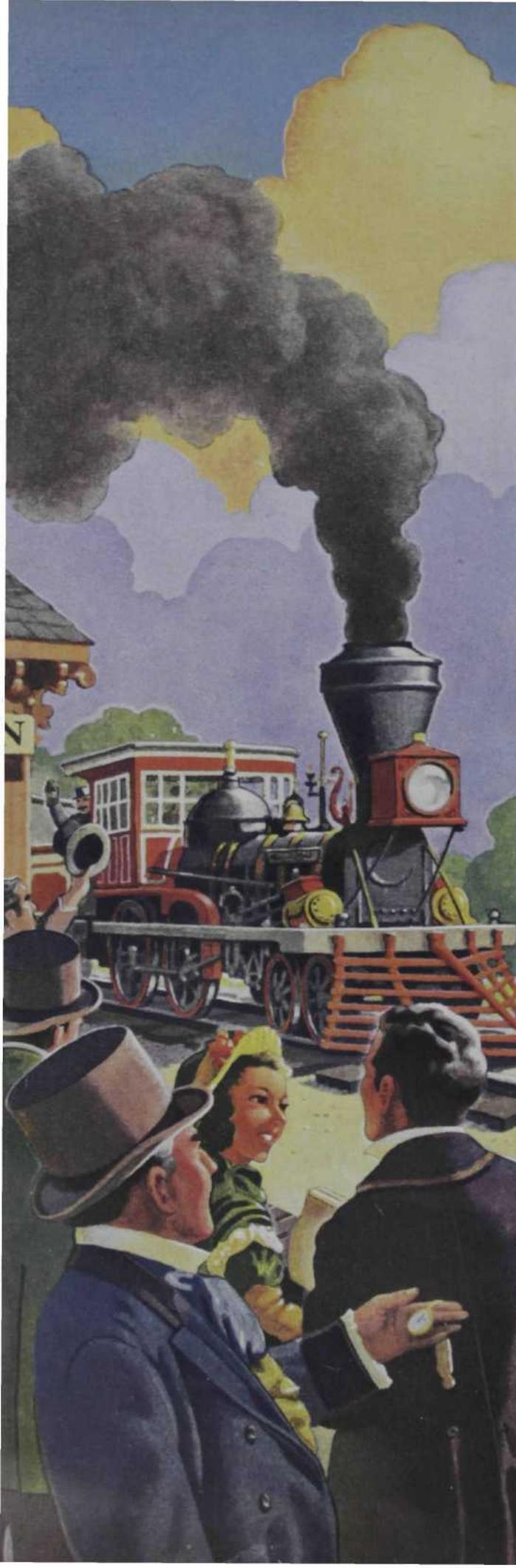
4 Trufect is an ultra-quality Kimberly-Clark Printing Paper, the perfected result of research and 74 years of practical paper-making experience. So rich, so smooth, so clear and bright, TRUFECT provides precisely the luxurious background which helps good printing sell.

*Levelcoat**
PRINTING PAPERS

For black and white or
color letterpress printing in
publications, mail order
catalogs, house organs and
direct mail, select one of
these Levelcoat grades—
Trufect, Multifect or
Hyfect. Kimberly-Clark
Corporation, Neenah, Wis.



*TRADE MARK



CHECKS that have come every year for 100 years



SINCE its founding 100 years ago, the Pennsylvania Railroad has paid to its employees, stockholders and bondholders approximately twelve and a half billion dollars.

Never once over that century has it failed to meet a financial obligation when due.

To its employees the Pennsylvania has paid in wages a sum exceeding ten billion dollars.

To stockholders, it has paid a cash return in every year since 1847—a total of a billion and a quarter dollars.

To bondholders—individuals, and insurance companies, savings banks, trust companies, representing the savings of many millions of individuals—it has paid in interest more than a billion dollars.

From the beginning, the Pennsylvania has been a railroad built by the people for the people. The money to construct it as the shortest route between East and West came from people of all walks of life in the form of subscriptions to shares of \$50 each, payable in ten \$5 installments. Today, with 13,167,754 shares outstanding, the average holding is only 61 $\frac{1}{4}$ shares, and of the 214,995 stockholders of the railroad 106,139—or more than 49%—are women.

Thus, not only has the Pennsylvania Railroad served the American people through continually improving transportation at low cost—but through wages, dividends and interest (plus huge purchases of materials in the area served)—it has contributed vitally to the prosperity of communities and to the welfare and economic security of many thousands of American citizens.

PENNSYLVANIA RAILROAD



1846 - 1946





COPYRIGHT 1945 BY THE TIMKEN ROLLER BEARING CO.

TIMKEN ROLLER BEARING EQUIPPED FREIGHT CARS HAVE EVERY ADVANTAGE



Many years ago, leading railroad executives saw the advisability of equipping locomotives and passenger car equipment with Timken Tapered Roller Bearings. The outstanding operating and economic results are illustrated by the following which is one of many examples.

Two of the nation's streamliners have recently completed over 1,000,000 miles each on Timken Railway Roller Bearings without a single hot box—or delay of any kind—due to these bearings.

Timken Roller Bearings will do the same outstand-

ing job on freight car equipment that they are now doing on all types of high-speed locomotives and passenger car equipment.

For the one definite way to increase the life and availability of freight cars is by the use of roller bearings. In like manner roller bearings greatly reduce starting resistance—decrease operating costs—eliminate hot boxes and help make possible high-speed railroading.

See that the name "Timken" is stamped on every bearing you use. The Timken Roller Bearing Company, Canton 6, Ohio.

cellations for the company of more than \$63,000,000 in ships then under construction. Yet from the beginning, despite three major depressions, this shipyard has made money every year!

Company works with men

ANOTHER record which Board Chairman Homer Ferguson feels must be fully understood before one can really explain the financial stability of the organization is its long history of good labor relations. As he puts it, "We don't work with materials. We work with men." In fact, it is impossible in any analysis of the company's success to disregard the policy of paternalism in the modern manner which has given them a record of "no labor shutdowns."

From management on down to the newest apprentice, work in this shipyard isn't just a job, it is a career. There is an intense loyalty both to each other and to the company among the employees; and pride of workmanship is coupled with a keen sense of responsibility.

"A ship has to be right," they explain. You feel the awareness in every workman of the importance of his special task to the successful completion of the whole.

Like the stuff of which the ships they build are made, the men have been carefully selected for quality and dependability. When Mr. Ferguson first came to the yard as a

young naval architect he had as profound a respect for his men as individuals as he did for them as skilled artisans. Years of experience have so strengthened his belief that it amounts to a business credo.

From the beginning, with characteristic thoroughness, he set about building a staff that was loyal and willing, men who took pride in their work.

"You can't have our kind of success," he protests, "except with decent people."

The men know exactly what is expected of them and they do their utmost to comply. They have learned that all commitments to them will be just as rigorously adhered to.

"Men can't live on promises," Chairman Ferguson declares.

Does it work? Perhaps the finest tribute to this policy is the fact that many of the newer employees are sons and even grandsons of the men who proudly launched Hull No. 1 in 1891, when as the 180-ton tug "Dorothy" she slid gently down the ways. There were a few nostalgic cheers for the "Dorothy" 40 years later when those sons and grandsons launched our biggest luxury liner, the 33,440-ton "America," for there in the harbor was the "Dorothy," now renamed the "J. Alvah Clark," puffing lustily at her hard daily work.

Promotion from within is standard procedure at the yard. The

chairman and president of the company himself, after several decades of steady rise, was given his present position just five years ago. From their chief on down, employees see all around them examples of men who have made good.

Newport News comes pretty close to being a company town. But while all too often company towns are simply a convenient labor supply for the plant which is the mainspring of their local economy, the management of this shipyard is keenly conscious of the responsibilities that go with its position.

More often than not the boys and girls of a company town, though they have known all their lives that their future is bound up with the factory around which their town has grown, have left high school to seek jobs there without the slightest knowledge of how they can fit into its work, and without having been offered any special training which might help them fill the jobs there.

As early as 1914 officials of the Newport News shipyard decided that hit-or-miss vocational selection and old-fashioned apprentice training could be improved. They named their solution the Apprentice School. If its locale were the high school instead of the shipyard, it would probably be called a work-study program.

Paid to learn shipbuilding

THE Newport News Apprentice School takes high school graduates, selected both on the basis of mechanical aptitudes and qualities of leadership, and gives them four- and five-year courses. The youngsters are paid while they learn. Not only do the students get shop training in all the shipbuilding trades, but they are given classroom instruction in economics, business management, public speaking and even etiquette. They get a chance to discover, at no economic risk, just what phase of shipbuilding suits them best. They are given every opportunity to get ahead once they start working; they have been trained to make the most of it.

Standards in the school are high. Annapolis-educated Chairman Ferguson will not tolerate careless workmanship. It doesn't take long for the men to acquire from him a pride in their skill, a sense of self-respect that comes with doing a job the right way and doing it well.

"A good job, well done," was what the Navy had in mind too when it surveyed the 1,000 boys in



Shipbuilding is an up-and-down industry but turbines, such as this, take up the slack when the firm's other business lags

Size that delivers the goods



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water resistance and toughness...can help give your paper boxes maximum durability, which will provide maximum protection for goods in storage and shipment.

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the school in 1942. It took all but 45 of them and rated them as engineers.

But the management does not feel its responsibility ends with training potential employees. Far more than in most industries, employment in shipbuilding is subject to rapid change. At the Newport News shipyard in 1915 there were 5,000 employees. Two years later the figure was 9,500. At the close of the last war it was 13,500. In 1937 there were only 7,300; in 1940, 11,500; in 1941, 18,000; and in 1943, 30,000. About 97 per cent are American born, more than half of them native Virginians.

When shipbuilding folds, as it has done at intervals in the past, the management has three ways of cushioning the blow to the community. First it does everything possible to develop other lines which can be produced with shipbuilding tools and by workmen trained in shipbuilding crafts. Even a just-break-even proposition is welcomed if it will help keep the men at work. Second, the management sets up intradepartmental schools at which the men, on company time, can learn one or more new crafts. Men who want to leave after this special training are free to do so. Last, the company sets up a fund from which discharged employees can borrow without endorsement and with no questions asked.

Retirement for older workers

THE fear of poverty in old age which so often clouds a working-man's life doesn't bother employees at the Newport News shipyard. For 25 years a retirement and pension plan has been in effect. And every month the *Shipyard Bulletin* carries the names and pictures of the men, both white and colored, who have come to retirement age.

It is little wonder that, with a program such as this, the whole community of Newport News has become ship-minded and that all the company's labor needs are filled through the families and friends of the men and women already working at the yard. "Ship Day" at the yard, when a new vessel is commissioned, looks for all the world like a legal holiday. When the super aircraft carrier "Boxer" was launched recently more than 60,000 persons came. The men and women who built her brought their families and friends. The Mayor was there, and the city merchants and all the local townsfolk. And when Mr. Ferguson had

finished his speech, every man jack showed off the parts that he had worked on. And his wife, mother, or sweetheart looked and listened and then helped him brag about it. Why not? She was their ship!

But all the *esprit de corps* in the world is only pretty talk unless the men feel they are fairly paid. Newport News has about 400 supervisors. They all get a base salary to which is added a rising percentage of the base, as a premium for rising output. Under them, 83 per cent of all the workers are on a similar piece work, premium system. This arrangement reduces administration substantially. The men police themselves. They want all the money they can make, of course. But they want the plant to continue. A faulty vessel might cost them all their jobs. There are no sluggards in the plant. They couldn't stay. There are none who trifle with specifications and tolerances. All see to it that every man does his full share and does it right.

Fair play for all

EVERY employee knows that he will not be abused, slighted, or treated unfairly. He knows, too, that when vacancies occur they will be filled from the bottom up. He feels sure that no prejudices or personal feelings can hinder his advancement. For if Mr. Ferguson expects his men to toe the mark, he is sterner still in insisting that his top management shall be so alive and alert that it will command the confidence and respect of the workers.

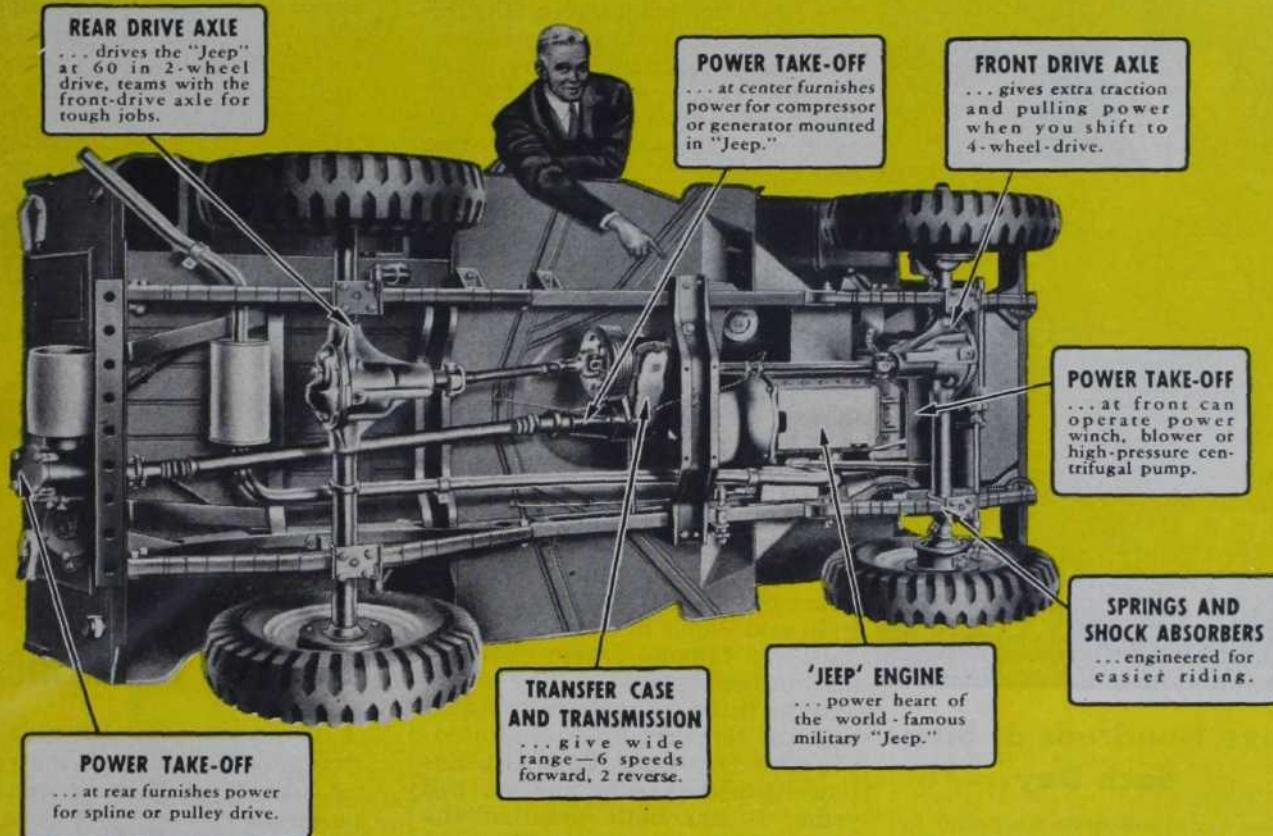
Throughout the war the Labor-Management War Production Drive Committee worked with singular harmony, almost wiping out the distinctions between the two interests in their united effort. Labor took full charge of bond sales campaigns. Each week these shipbuilders invested \$170,000 in War Bonds, 11 per cent of their pay roll.

Such a plant comes to testing times. This one has faced many of them. There have been depressions to test the management. And union organizers have tested the work plan.

The unions have worked hard to win over the men at the shipyard. The management estimates that the CIO has spent \$250,000 in the past ten years trying to break in. But it lost a recent plant election by a three to one vote.

The depression in the early '20's, in which 106,000 firms went bankrupt, 5,500,000 workers lost their

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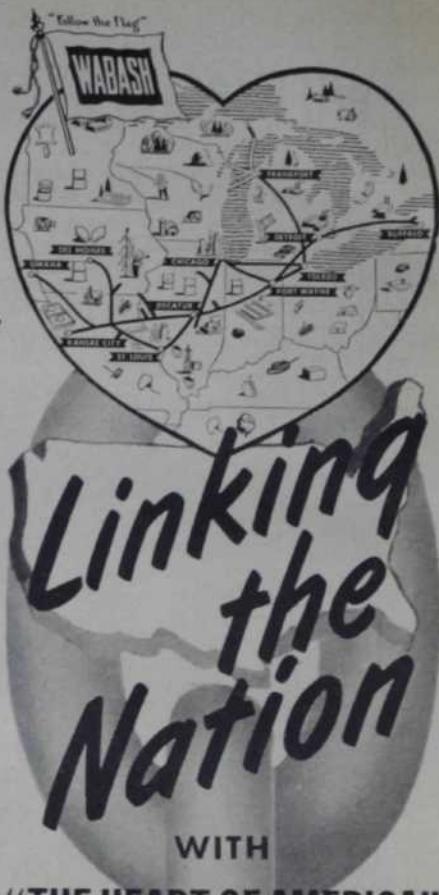
jobs, and national income dropped by \$16,000,000,000, left the Newport News shipyard with a plethora of cancellations and not a single new contract. "Reconversion" wasn't the fad then, but that was what they did. The entire staff worked together to find things which might keep the men at work. One of the things they tried was repairing locomotives. But the workmen, accustomed to precision tolerances in ship machinery, fitted the first engine so tightly that it would not run. Building freight cars was another venture. The manufacture of non-oil, non-explosive paints for ships was a third non-profit undertaking.

The manufacture of hydro-electric power plant equipment, which they started at the same time, is the one depression line which has continued. The company has established an international reputation for its machinery. Since 1922 installations have been made at Grand Coulee; at TVA's Norris and Hiwassee dams; Flathead in Montana; Glens Falls in New York; Boulder, Santee-Cooper and Muscle Shoals dams; Braden Power Company in Chile; International Pulp and Paper in Newfoundland; and the famous Dnepropetrovsk dam in the USSR.

In its three score years of operation the Newport News Shipbuilding and Dry Dock Company has had its boom years and its bad years. It has built some of the finest ships on the seas. When we entered World War I, 20 per cent of our naval vessels had been made in this yard. During this war the company has had 143 ships in service, with a total tonnage of 2,240,800. Since peace was declared the company has already had cancellations for a carrier 28 per cent completed, three cruisers from 56 to 30 per cent completed, and a heavy cruiser on which the keel was not yet laid. Yet it looks forward confidently as it always has, with contracts now for several commercial ships, for the renovation of the America, and, if necessary, other kinds of work.

New Lighter Wick

A CIGARETTE lighter wick, which burns bright, won't fray and practically never requires trimming or replacement, has been developed by the United States Rubber Co. It is made of tightly braided asbestos yarn, and has a small core of glass yarn which is said to provide improved capillary action for feeding the fluid.



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THE PULSE of America's strength is felt through the vital arteries of Wabash transportation.

The Wabash Railroad is an important transportation link between America's farms and factories throughout the vast "Heart of America" region which it serves.

But its importance does not stop there. More than 2,393 miles of Wabash track provide finer, faster, more dependable transportation, linking the midwest with all the nation through direct connections with 66 other major railroads.

Thus it welds the vital resources and production of north, south, east and west into a single purpose—the progress of America.

C. J. SAYLES, Gen. Freight Traffic Mgr.
T. M. HAYES, Passenger Traffic Manager
Railway Exchange Building,
St. Louis 1, Missouri

**WABASH
RAILROAD**



Slot Machine Laundries

SELF-SERVICE laundries are fast appearing on the scene with batteries of coin-controlled automatic washing machines

A REVOLUTIONARY development in the coin-controlled washing machine business, which may have a great effect upon the laundry and washing machine business, is under way.

Heretofore, the highly lucrative coin-operated washing machine business had centered its activities around the basement laundry rooms of large apartment buildings, making such machines available for use by tenants.

When virtually all the good apartment locations were exhausted, operators realized that, if the great number of residents of private homes could be reached and sold, their business could expand limitlessly.

To reach this new market, self-service laundries or "launderettes" were developed. Usually located in the center of a thickly populated residential area, a self-service laundry consists of a store with a battery of coin-controlled washers to which laundry can be brought.

Stimulated by the wartime shortage of washing machines and maids as well as slow laundry service, the idea caught on rapidly. Many self-service laundries found business so brisk that they were forced to require appointments for the use of their machines.

Typical of the new enterprise is one in New York City's densely populated Bronx. There is a battery of 14 Bendix Home Laundries, coin-operated.

Each machine turns out ten pounds of laundry, 85 per cent dry and ready for ironing. The process takes half an hour and costs the housewife 25 cents. Once the customer puts her laundry into the machine, she is free to do as she pleases.

When the laundry is done, it is removed from the machine by an attendant, wrapped and checked. The owner may call back for it at her convenience.

Laundering is a social hour

SOME self-service laundries offer the housewife a comfortable lounge where she may chat with friends or read a magazine while a machine is doing her washing. At least one laundry offers a free nursery where she may leave her children while she goes shopping. In most communities, ample parking space is provided.

The self-service laundry supplies soap, and some even advertise soft water and coin-controlled ironing machines.

There seems to be a definite possibility that these self-service laundries will mushroom in number during the next few years. Not only is the business profitable—a battery of 14 machines in a good location can gross as much as \$100 a day—but it is inviting to the man with a small amount of capital to invest. A self-service laundry may

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One jigger of Southern Comfort. One pony of Cranberry Juice or Grenadine. Juice of $\frac{1}{4}$ fresh lime. Fine ice. Strain into cocktail glass. It's marvelous.



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INDUSTRIAL FACTS ABOUT TENNESSEE

TVA

All of the basic purposes of TVA have been accomplished—"The unified development of the Tennessee River system primarily, flood control, navigation, water-power utilization and national defense."

Less known perhaps, but certainly as important to peacetime industry, are the economic advantages created by TVA in the Tennessee Valley. Power lines have brought to the area a new way of life. Farms have become mechanized, releasing native labor for industry. Motors have taken the place of man power. Modern appliances have made living more enjoyable. Workers have more time for self-improvement and recreation—adding to their contentment.

Low-cost TVA power has opened up hundreds of smaller communities in Tennessee that are ideal locations for industries. These locations permit the decentralization so desirable in peaceful plant operation. These communities have an adequate supply of workers for small industries. These workers, for the most part, live on farms or own their homes nearby. They are citizens of and have a vital interest in the communities where they work. They are noticeably free from the unrest usually apparent in congested industrial areas.

Leaders in these Tennessee communities are awake to the importance of industrial payrolls and give full cooperation to continuous plant operation.

Detailed information on TVA power, decentralization, and labor, as well as other industrial advantages, is given in a big, 210-page general survey: "Industrial Resources of Tennessee," that will be mailed to executives and industrial engineers upon request. It is filled with facts that every employer should have when plant expansion or location is being considered. Dictate your request today—on your business stationery, please.

DEPARTMENT OF CONSERVATION
Information Division
907 State Office Bldg. Nashville 3, Tenn.

TENNESSEE
First Public Power State

be established for about \$3,000 and, in some cases, less.

If these self-service laundries are ultimately made available to every housewife in the nation, the question naturally arises as to the effect this will have on the regular public laundry business, and on the sales of washing machines to individual users.

Washing machine manufacturers, alert to the situation, have two possible approaches. One is the sale of machines equipped with temporary coin-control slots directly to the housewife who is thus able to pay for the machine as she uses it. The rate is no higher than if she patronized a self-service laundry and, eventually, she will own the machine.

The other approach is the entry of the manufacturers themselves into the self-service laundry business. The Bendix firm, which already has extensive operations in

the East, is considering big-scale expansion. The Hurley Machine Company, Chicago washing machine manufacturers, counts on a volume sale of washers to self-service laundry operators.

At present some 25,000 coin-controlled washers are operating from coast to coast. A half dozen Chicago firms operate 7,500.

It is to be expected that a considerable section of the public will continue to buy their own machines or to patronize regular laundries—especially those in the higher income brackets, those with large families, and those living in the country where self-service laundries may never become freely available.

On the other side of the picture, there are the facts that self-service laundries have already found ready public acceptance and offer a cheap way to get one's washing done with a minimum of effort.—H. S. KAHM

Vegetable Ivory

DURING the war thousands of GI's wore uniforms with buttons made of jarina (vegetable ivory) from the forests of the Amazon.

Jarina's ability to retain its color through numerous washings and exposure to sunlight, its ability to stand up under strenuous dry cleaning, washing and hard wear, were factors that determined the Army's decision to utilize this type of button.

Native to the Amazon Valley, the jarina tree resembles a stunted palm fern and grows 15 to 25 feet high. Its short trunk is crowned with feathery fronds of large, bright green leaves. Its flowers give off a pleasant odor and its fruit is similar in appearance to the coconut before the husk is removed. Trees bear 15 to 25 clusters of nuts each. An average cluster, weighing about 20 pounds and having about 100 nuts, is somewhat larger than a man's head.

The nuts are generally gathered during the dry season and are taken to the exporters to be dried, shelled, graded, cleaned and prepared for shipment. The shelled nut is slightly smaller than a hen's egg and weighs only one or two ounces. When dried, it can be sawed, carved and turned on a lathe. It readily absorbs dyes of any color, and hardens upon exposure to the air. No matter how much it may be soaked or swollen in the subsequent process of manufacture, it always returns to the hard state.

Vegetable ivory is an excellent substitute for animal ivory which is relatively scarce, according to the Brazilian Government Trade Bureau. However, the sizes of the articles made from vegetable ivory are limited to the size of the nut itself.

Though employed chiefly in the manufacture of buttons, jarina nuts are also used in making umbrella handles, chessmen, dies, poker chips and numerous ornamental articles. In recent years the costume jewelry trade has found it an excellent material.

From 130,000 to 260,000 tons of jarina nuts are exported from Brazil's Amazon area each year. The nuts are shipped in burlap bags, and, being relatively small in bulk, are often used as ballast with other cargoes.



S. B. Stevens

You, Too, Can Be a Showman

(Continued from page 56)
Operator 542 M and was found to be in good working order."

A company manufacturing electric lamps has been operating an employee suggestion system for many years. Until recently it used the orthodox system of concealing the identity of the suggestor from the judging committee. Only the names of the winners were identified. When the system was changed and employees were allowed to sign their names to suggestions, the volume was reduced but the quality was strongly improved. The proportion of acceptable ideas went up ten per cent.

Prestige as good as money

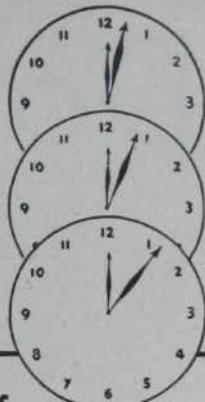
PEOPLE like prestige as well as they like money. The Warner & Swasey Company, which gives award pins as well as bonuses for shop suggestions, says that winners have queried the front office three times for an overdue pin, but have forgotten to ask for the \$500 bond awaiting them.

Showmanship can even save lives, when it makes use of the human love for prestige. A few years ago in New York City the saving of at least 1,000 lives a year came directly out of the competition in an accident prevention contest hotly waged among the city's many police precincts. In a given three-month period, some 324 fewer people were knocked down by automobiles—all because the policemen were competing for the prestige of their own precinct.

The trend is to showmanship among progressive business men everywhere in America. You, too, can be a showman. You can brighten up dull-looking merchandise, dramatize abstract ideas, put new twists on any phase of your business to make people pause, look and applaud by buying. You can even perform such miracles as selling oilburners by giving away coal shovels, which a dealer in Chicago does regularly. When the recipient of the gift uses the free coal shovel, he is greeted by the following consoling thought—printed upside down on the scoop, so it will surely be read at the psychological moment:

IF YOU OWNED A WILLIAMS OIL-O-MATIC BURNER NOW YOU WOULD BE UPSTAIRS INSTEAD OF SHOVELING COAL.

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War-proved Solvent "26" reduces cleaning time from hours to minutes on dismantled engine parts

and all kinds of machinery. Simply dip, rub, brush or spray it on. Then flush clean with hot water.

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Solvent "26" restores clear, clean finish to any metal surface.



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Solvent "26" frees glass and metal tubing and their supports of gums, varnishes and other incrustations or deposits.



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Gentlemen: I am interested in a demonstration of Solvent "26"—at no cost or obligation.

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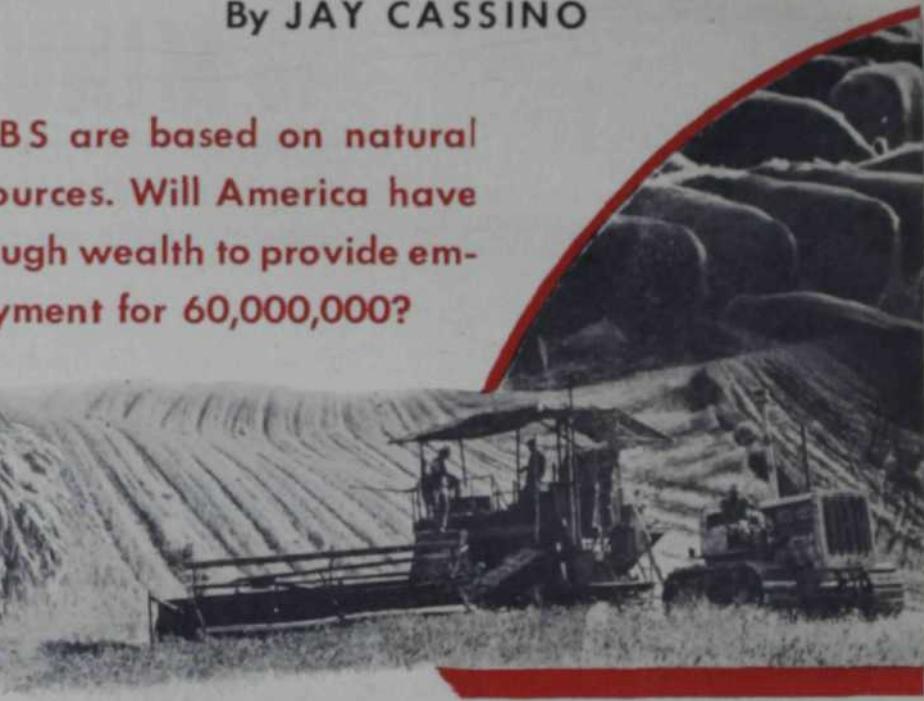
CITIES SERVICE OIL COMPANY

ARKANSAS FUEL OIL COMPANY

Do We Face a Have-

By JAY CASSINO

J OBS are based on natural resources. Will America have enough wealth to provide employment for 60,000,000?



PLANTS, animals and minerals are the source of all activity in industry, commerce and agriculture—the stuff from which all goods and services are fashioned.

Plants and animals combine generally to provide those activities classified as agricultural. Together they make up one-third of our national wealth. Minerals, because of the work performed in getting them out of the ground and in transporting and processing them, provide about two-thirds. It could be argued that minerals are, in fact, the center root of all our economy because, although the farmer feeds the nation, the miner feeds the farmer's crops with mineral fertilizer and provides the metals for the tools to till the soil.

Obviously then, our ability to provide 60,000,000 jobs, to expand production, to give full employment, depends in the final analysis on our supply of minerals. Many people have seen this and have sounded warnings that the United States is rapidly becoming a "have not" nation.

Among those sharing this view is former Secretary Ickes who, before he left the Cabinet, submitted to the President a 355-page report

in which he warned against depletion of our minerals, asserting that, as a result of wartime drains, there are now only nine minerals of which we have an estimated 100 years' supply. The known reserves of 22 others have dwindled to 35 years' supply, and the assured domestic deposits of petroleum would last only 14 to 20 years.

Mr. Ickes did concede, however, that new exploitation techniques might make possible utilization of vast marginal stores which are virtually untouched.

Our minerals not exhausted

ON the other hand, the American Mining Congress has declared that our mineral resources have not been used up by the war, nor are they in danger of early exhaustion.

The bystander's bafflement at these opposed positions is pardonable. The facts that he may readily come by do little to clarify the situation. Having saved tin cans and toothpaste tubes, the hysteria inspired by wartime shortages is still in his memory. On the other hand, he is aware that, according to early predictions, we would have run out of petroleum 25 years ago.

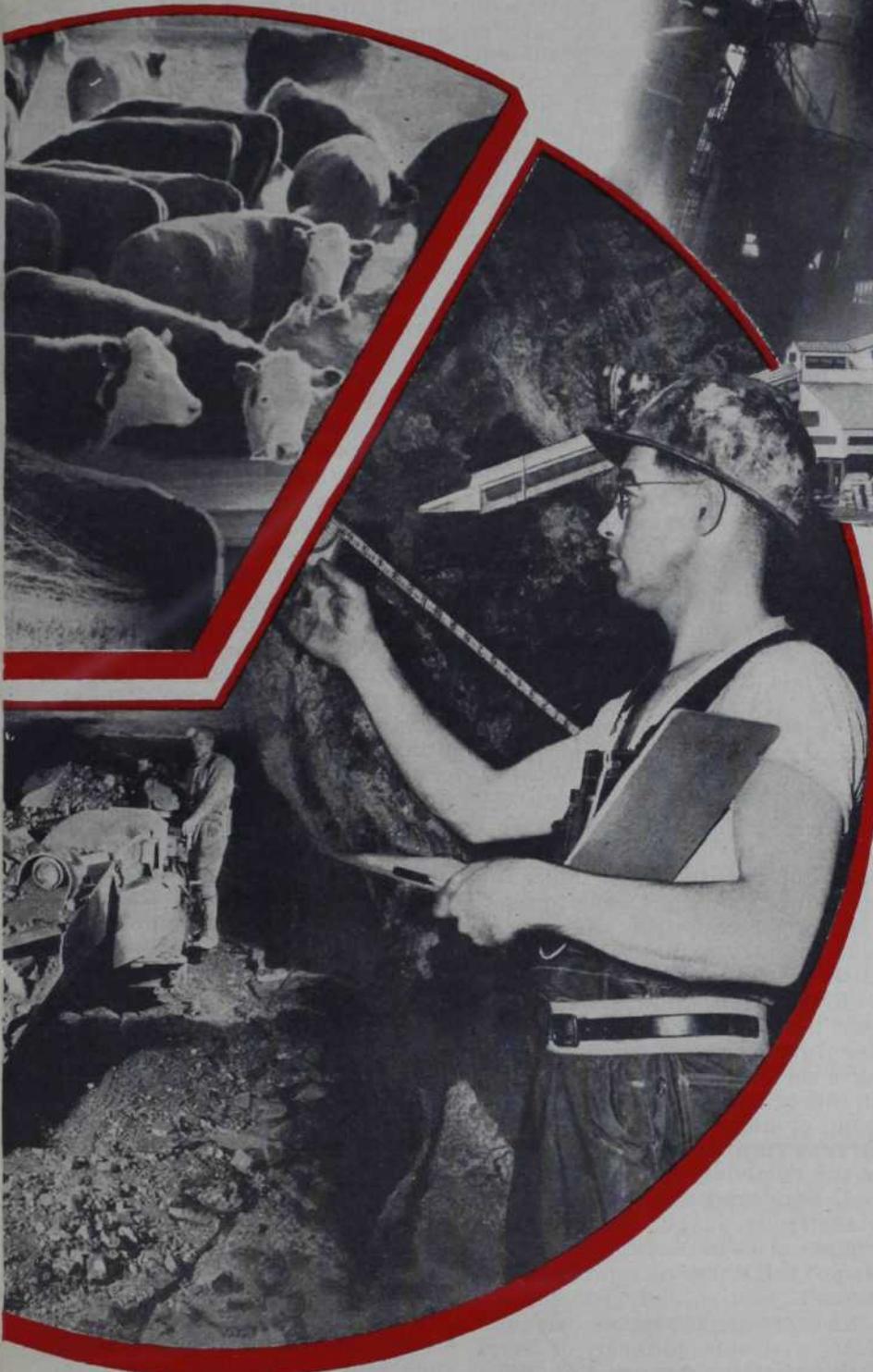
What he would like is a simple answer to the simple question:

"Have we enough minerals for 60,000,000 jobs, or haven't we?"

Unfortunately, he can't have it.

The fact is that no correlation of our resources to the full employment goal is possible because no inventory of resources is possible. An

not Future?



A third of our wealth comes from plants and animals, agriculture; about two-thirds from minerals and closely related industries

Commerce as a most accurate slide rule for computing the national economy).

When the curve representing the raw materials needed to sustain 60,000,000 jobs was at last plotted, the experts were astounded to find that it turned sharply upward to run right off the top of the chart! Unbelieving, they rechecked their calculations, threw away the graphs, and set about dissecting GNP. The formula revealed certain inadequacies and was quietly abandoned in favor of the Federal Reserve Index of industrial production.

Graph results were absurd

A GRAPH based on the Federal Reserve Index showed that, if employment reached 60,000,000 and trends in increased efficiency continued, both our known stores of resources and our capacity to consume the things made from them would be exhausted too rapidly—in some categories even before 1950!

The analysts discarded these findings as absurd.

The incalculable error lies in the

unpublicized study by Interior Department economists demonstrates one of the difficulties.

Shortly after Henry Wallace's book, "60,000,000 Jobs," came off the press, these experts attempted to project a full-employment curve to 1950 and, having taken into account all the trends indicated by

past experience and all the probable future changes indicated by wartime distortions, attempted to determine future requirements of raw materials. The production curve chosen was GNP (Gross National Product, a formula developed jointly by the Federal Reserve Board and the Department of



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If your dealer doesn't have it — write Philip Morris & Co., Limited, Inc., Dept. CS, 119 Fifth Avenue, New York



MARYLAND'S Ambassador of Good Cheer is definitely a costly beer. But to the critic of flavor it seems to be entirely justified.

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fact that no graph can reflect technological progress. Neither can it be weighted for the possible results of changing uses, new discoveries or stockpiling.

An honest and practical appraisal of our situation must depend as much on those four factors as on statistics. Such a study cannot be set down on a chart and it will not prove anything. But it will at least show why nothing can be proved and might prevent the sort of hysteria which led, last September, to an executive order withdrawing from sale all public lands which contained radioactive substances.

Followed by similar limitations imposed on the distribution activities of federal agencies, this encyclical led Surplus Property Administrator Symington to halt the sale of all raw materials and fabricated goods containing radioactive substances. Since all minerals have some degree of radioactivity and the orders stipulated no measure of it, their effect (if obeyed) could have been virtual stoppage of industry and trade.

Technological Progress: Any long-term forecast of availability must take into account the fact that raw materials are used more and more efficiently than in the past. When we make one ton do the work of two, or when we use the same metal over and over again, the need to draw on underground stores is less and less. There is too much emphasis on the one-crop nature of our resources; the belief that minerals once mined are gone forever. Like bread cast upon the waters, many of our raw materials do come back.

No one knows how much of the gold buried at Fort Knox against our future currency needs may have served the trade of the merchants of Babylon, adorned a Pharaoh, or motivated the murder of an Inca king. Continued expansion of the revolving fund of the materials that can be rechanneled into industry by way of the junk pile compensates in part for the depletion of the stores remaining in the ground.

As everyone knows, we can produce a sizable tonnage of steel without mining any ore. The \$200,000,000 Geneva steel plant operated during the war almost entirely on scrap. At the peak of our steel production in 1943, scrap contributed 54 per cent as much iron as came from ores.

Some uses of metals, especially in war, are truly dissipative. Thousands of gadgets cost too much to

collect and return to the furnace for remelting. Obviously we cannot recover for reuse 100 per cent of the already mined and fabricated minerals. But the war did accelerate the pace at which junk dealers cycle back into production an important amount.

Like the products of agriculture, some minerals are expendable, such as fuels which disappear in use. Stone, clay products, copper, on the other hand, may last through the ages. Others have non-dissipative uses from which they can be salvaged, at least in part. The beating of swords into ploughshares, and *vice versa*, is more than a figure of speech.

Moreover, new methods of extraction may vastly increase our already known supplies. Even today no practical methods have been devised to squeeze the last drop of oil from the underground sands. Current practice brings up 25 to 75 per cent of the crude. Tailings from metal mines hold stores of ore that present methods or present prices make unobtainable. New techniques or increased prices could make them available.

It often happens that shortages of certain minerals, as recorded by the "bookkeepers," are more apparent than real. Sources of supply exist which are not worked simply because the price the minerals bring on the market is not high enough to make the operation profitable.

As mineral prices go up, the marginal fields are explored and brought into production, new methods for extracting the minerals are developed, uncounted resources are discovered—and, incidentally, new jobs are made.

The production of phosphate in Tennessee demonstrates the routine. Twenty-five years ago, only the lump rock was used, scooped up by steam shovels. The cry was raised that we had only one or two years' supply. Then we started utilizing the sand by washing the clay. This increased our store. Later came the froth flotation method of recovery of the fine powder. Later still we started blasting and vaporizing.

Today we are conceded to have ample reserves in the same deposits supposedly exhausted a quarter century ago.

Changing Uses: Industry's demand is never static. Even definitions and classifications change with the shifting pattern of our economic behavior. The Army and Navy Munitions Board's list of "strategic and critical" materials

is now encyclopedic in contrast with the limited list of nine minerals classed as "strategic" in 1939—running all the way from antimony to zirconium ores. All of the 94 elements that can be won from the earth are now used in industry, including the two man-made elements created from uranium as a result of atomic bomb research.

As each has been graduated from the laboratory and put to work, it has eased the burden on materials already in use. The possibility is beguiling that, as known deposits of the scarcer raw materials become depleted, we shall find uses for those nature has provided in greater abundance, or those which we can replenish at will, such as our farms provide.

New Discoveries: The geography of mineral production always has shifted and continues to shift following discoveries of new and richer deposits. Changes in rank among nations as producers of individual minerals have been frequent; sometimes they have occurred almost overnight. Time was when we exported copper, zinc, oil and other materials in great quantities. Now we have little to spare; but much of our raw materials frontier remains to be explored. It extends 15,000 feet below the sea—or two miles below the earth's surface—to mountain tops 15,000 feet up. Only the cream of known resources has been skimmed off.

The crust of the earth is composed of raw materials of all kinds. It is intriguing to speculate on the possibility that capture of atomic power, which seems to be on the threshold of science, may so speed development of new methods of recovery as to make available stores of all the things industry needs.

Stockpiling: Even though we achieve independence of foreign

sources, this does not mean that it may not be economically and politically expedient to import materials of which other countries have richer deposits than we do. Stockpiling might not only provide future protection if war threatened too great a drain on materials not too abundant here, it might even assist in an economic expansion designed to support full employment.

International trade is a two-way affair.

To continue pouring our products overseas, we must buy enough to enable foreigners to pay for our exports. But such stockpiling must be intelligent and judicious, fashioned on economic as well as military needs. Any plan should be realistic and flexible, subject to adjustments in view of industrial developments. A stockpiling plan, adopted after World War I, for instance, might well have included saddles and straight-grained spruce, products sadly out of date 20 years later when cavalry moved on wheels and airplanes were made of metal.

Added to our present resources, technology, substitutes, discoveries and imports seem to justify the expectation that American industry, farming and commercial enterprises can expand without danger to the level of full employment. Conservation is in the picture, too, but it must not be conservation of the kind which made people walk or use public conveyances for their wartime transportation.

Properly encouraged, these factors can support an economy of opportunity as well as an economy of abundance.

A vigorous and free American industry will hold world leadership and American workers will continue to gain comforts and conveniences that add up to the American standard of living.

Beer Retailers Active in Local Chambers

BEER retailers have always been good contributors to the work of local chambers of commerce but until recently have not held widespread membership in local chambers.

Prohibition propaganda had made them feel that they might not be welcome and had made them hesitant about applying for membership.

Last spring one or two chambers complained that the beer retailers were not taking a large enough part in community activities. Fol-

lowing this, the United States Brewers Foundation, national association of the industry, wrote each local chamber secretary, asking:

"Would your organization like to have more beer retailers in your community apply for membership?"

The response was a unanimous Yes. The foundation passed the information on to the beer retailers. In some cities, the retailers joined the chamber in groups, in one city as a 100 per cent unit.

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Ransome J. Williams, is from Mullins, population about 5,000. "Even loyalty to my home town," he declares, "cannot prevent my realizing that its good living and working conditions are shared by our other cities. Speaking for them all, I extend a friendly welcome to new business!"



Some Dallas veterans have pooled their skills and gone into action to construct homes for themselves and buddies

GI's Build Their Own Homes

A GROUP of veterans in Dallas, Texas, baffled by the housing shortage, decided to construct their own houses. That's the story of the newly chartered G. I. Construction Company, which, as the name implies, is made up of Dallas World War II veterans, who decided that GI teamwork could do a lot toward solving the housing shortage for returning service men. They decided the surest way of getting homes for themselves and their buddies was to pool their skills and go into action.

The company is headed by Robert L. Mauldin, ex-chief petty officer who directed 200 Seabees in building airstrips in the Pacific; Merlin S. Boyd, former technical sergeant in the Army Engineers supervising construction in the South Pacific, is vice president; Fred L. Galbraith, Army Air Corps Reserve pilot, is secretary, treasurer and office manager; and Louis A. St. Romain, former AAF pilot, is coordinator. They act as foremen and keep things moving on the job.

Experienced GI builders

THROUGH their friends and the U. S. Employment Service, these men recruited more than 100 discharged GI's who were experienced builders, men who had worked hard and fast at long hours and under fire building roads and airfields from Normandy to Okinawa. And, as they fought against time

then, so they are fighting against time now.

Though their present concern is over materials, they have managed to make a start.

As one Dallas contractor observed as he watched them lay the foundations for a new home, "That's the workin'est bunch of men I've ever seen, and don't think that they don't know their business. No wonder we won the war with fellows like these to build airstrips, roads and bridges. Now they're back showing us how to lick the housing shortage. They've got guts."

Nor are these GI's lacking in ingenuity. As in wartime, men on the battle front learned to improvise with what equipment they could scrape up.

These Dallas veterans have bought army trucks, concrete mixers, bulldozers and have even converted a GI ambulance into a station wagon for moving men from one job to another.

Already a large number of applications for homes have been received from returning service men. All the veteran has to do is file the application. The company handles the details of getting the loan and building the home.

The G. I. Construction Company anticipates building 400 brick and frame homes in Dallas and, later, operating as general contractors. Right now GI homes have the number one priority.

South Carolina

WHERE RESOURCES AND MARKETS MEET

War Sidetracks Science

(Continued from page 38) through revolutionary improvements as long as new discoveries and inventions are being made.

The second example of the long process by which the results from inventions, research, and developments are brought into general use is the Diesel locomotive. Because of the war we may have lost sight of the new developments in rail transportation which was well started before Pearl Harbor. To trace the history of Diesel locomotives accurately we must go back, not to the scientific laboratories, but to the inhabitants of faraway Samoa centuries ago. Again we will see that, as far as the Samoans were concerned, they did not know that what they had invented would some day end up as a Diesel locomotive.

The Diesel engine as we know it was invented in 1892 by a German named Rudolph Diesel, after he had visited the museum in Augsburg, Germany, and seen an exhibit of the ancient Polynesian art of fire making. The exhibit showed how the natives on the island of Samoa carefully fitted a wooden plunger into a hollow section of bamboo, which was closed on one end. On the end of the plunger they placed a piece of dried moss and then inserted the piston into the bamboo cylinder. The end of the plunger was then struck sharply with the hand. This compressed the air in the cylinder and, if it was done quickly, the heated air in the cylinder would ignite the moss. The idea for the Diesel engine was born!

Development of Diesels

FOR a long time I had been thinking that something should be done about the Diesel engine so, in 1920, as a result of our work on Ethyl gasoline, I began to study it and in 1928 I obtained an American-built single-cylinder Diesel engine for test purposes. The result is the light weight, high speed, two-cycle GM Diesel engines of today.

In 1933, two new two-cycle Diesel engines were placed in operation at the Century of Progress in Chicago to run the electrical generators for the General Motors exhibit. People from both the Burlington and the Union Pacific railroads saw them and were much interested. In fact, they asked us to work out their application to railroad operation. We went right to

work on that job. When our Diesel locomotives went into operation for these two roads it marked the launching of the streamliners, and the dawn of a new era in railroad transportation. The Santa Fe and the Baltimore and Ohio followed suit—and the parade of the streamliners was on. Switchers, too, came almost at the same time.

However, it was not until 1939, that we sent our first 5,400 horsepower Diesel freight locomotive out on a demonstration tour. In January, 1941, Diesel freight locomotives began to go into service, the Santa Fe being the first to put the new type into operation. With this locomotive we had the entire railroad motive power field covered. Thus, we entered the war with all the advantages of Diesel power available for the faster movement of men and *materiel* across the board.

Research in fuels

THIS talk about Diesels brings to mind another example which occurred in connection with our fuel studies. At one time our investigations took us into the study of the specific structure of fuel molecules. We found that, when carbons and hydrogens are hooked together as long chain molecules they "knock" badly, while a compact grouping of the same number of atoms "knocks" very little. It was way back in 1926 when, in connection with these studies, we experimented with a very compact compound known as 2, 2, 3, trimethylbutane, which was made in 1922 by a Belgian named Chavanne. The results were outstanding and we put it at the top of our list for further study. After years of research, our chemists have developed a method of making this material, which we call Triptane, quite pure.

To evaluate just what has resulted from this study of Triptane, let's look at the performance of an aviation engine using different fuels. Take the standard 12 cylinder Allison, for example. If we were to use ordinary automobile gasoline in this engine we would develop about 500 horsepower. Using high octane gasoline we could increase the horsepower to 1,000 and by using 100-octane gasoline or better we could reach 1,500 horsepower. But by using only a 60 per cent Triptane blend we can raise the horsepower to over 2,500.

It will be disappointing to learn,

however, that you won't be able to get this new fuel tomorrow, or even next year. But someday, perhaps ten or 20 years from now, it may be available in the filling station pumps to match the new high efficiency engines which will have to be designed to use it.

Another excellent example, I believe, is the story of synthetic rubber. Efforts to produce synthetic rubber have passed through a number of distinct phases. The first was the one in which chemists broke down natural rubber to determine its composition and structure. The second phase, during the early part of the century, was marked by the discovery of useful starting materials in the form of coal and limestone. Continued progress in synthetic rubber development was made until the end of World War I. From then until 1925, complete stagnation existed. In that year the price of raw rubber reached such an exorbitant figure that it became a great stimulus to the further development of synthetic rubber. This marked the third phase, which continued until 1933. The fourth phase, which is today, is the development of manufacturing facilities and continued improvements. With the progress being made I truly believe that we will never again be absolutely dependent on raw rubber.

Century of rubber research

A BRIEF history of the search for a substitute for natural rubber begins back in 1826 when Michael Faraday helped to establish the fact that the chief constituent of natural rubber is a hydrocarbon. Between 1826 and 1860 many famous chemists such as Dumas, Liebig, Dalton, and others examined natural rubber at some time or other in the course of their scientific careers. Then, in 1860, an English chemist named Williams succeeded in isolating and naming the parent hydrocarbon of natural rubber. He called it "isoprene."

Up until 1884 little practical progress had been made in the development of artificial rubber from anything but natural rubber. It was Sir William Tilden who discovered that artificial rubber could be made from a material other than natural rubber. In 1884 he discovered that isoprene could be made by heating common turpentine. Thus, synthetic rubber was born.

In 1900, a Russian named Kon-dakoff produced the first synthetic rubber known as methyl-rubber. This synthetic was used extensive-

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ly by Germany during World War I. They manufactured some 2,350 tons of it. This was a real achievement as it marked the first commercial production of synthetic rubber on a large scale. While this work in Europe was going on, activities were by no means at a standstill in the United States. In the middle '20's fundamental work was done on two entirely new processes for producing synthetic rubber. This preliminary work led later to Thiokol and Neoprene, which was the forerunner of our large and fast-growing synthetic rubber industry today.

World War II was a great stimulus to the development and production of synthetic rubber. When the Japs moved into the Far Eastern natural rubber producing areas and cut off our supply of crude rubber, something had to be done to replace it. The rapid development and expansion of the infant synthetic rubber industry was the answer. Thus, from the days of Michael Faraday in 1826 to 1946, it has taken 120 years for the results of inventions, research, discoveries, and developments in synthetic rubber to be brought into general use—and the process is still not perfect.

Long work on Penicillin

PENICILLIN, on which the first work was done 17 years ago, is still another example of the time and work that is necessary before a discovery comes into general use. At that time when Dr. Alexander Fleming, its discoverer, was teaching bacteriology at St. Mary's Hospital School at the University of London, England, he set aside a culture of bacteria. Some hours later, when examining the plate under a microscope, he noticed it was spoiled. The culture grew on only half the plate, the other half was spotted with a blue-green mold. Most people would have thrown the plate away, but Fleming had been looking for a special material for a long time so he decided to save it and see what would happen. He wrote in his notebook these undramatic words which were to help change the science of medicine:

"I was sufficiently interested in the anti-bacterial substance produced by the mold to pursue the subject."

In the first World War, as a captain in the British Medical Corps, Fleming had observed that some of the antiseptics used were more harmful to white corpuscles than to the bacteria. So he gave his new-

ly found material this test, but the white blood corpuscles came through unharmed, although the new substance was two or three times as potent as carbolic acid. In 1929 Fleming named his new drug Penicillin from the mold Penicillium Notatum. Penicillium is from the Latin for "pencil" or "brush," which describes the mold as seen under a microscope.

As its remarkable characteristics became known, and with a world war on hand, the demands for Penicillin increased in England. But, unfortunately, the supply could not keep pace with the demand, because the mold was still being grown in laboratory flasks. And in this country, after the Boston Cocoanut Grove fire, American doctors began to demand larger quantities of the drug which had proven so effective in healing the fire victims. So with our entry into the war, millions of dollars were put into manufacturing plants to produce Penicillin in large quantities. Since its discovery the production of Penicillin mold has been increased 10,000 per cent.

Dr. Fleming has stated that there is a good possibility that this material can save more lives in the next ten years than have been lost in England and America during the war. This is a remarkable tribute to Dr. Fleming's discovery. Dr. Fleming also says that we should not look at today's developments as the finished job. There are some 100,000 different varieties of molds and fungi that now have medical possibilities and it would be a miraculous accident if he had, the first time, hit upon the best one.

Experience with electronics

RADAR, too, reached a high state of development during the war, but as to just where it will fit into the peacetime scheme of things remains to be seen.

The war does seem to have stirred up a healthy curiosity about electronics generally, which is all to the good. And I don't believe we can count the years of war as entirely lost, particularly from the standpoint of experience. Many of our men have been on foreign soil. They have seen different people, strange lands, and gotten a first-hand insight into the customs and thinking of other people. This information will give them a new yardstick with which they can re-evaluate our own way of doing things.

I like to look at our situation something like this: Before the war we were traveling along a

broad highway; a little rough in spots, perhaps, but a road leading to a better world. We might call it the road of human progress. Then suddenly, in 1939, a power-crazed paper hanger blew up a bridge ahead of us, and we were forced to detour. We have lost some time on that detour, but I don't believe our experiences have been wasted. Soon we will be traveling again on the main road; and there is much work immediately ahead, because we must supply the replacement demands for the things we normally use. The new tempo on the road of human progress must be faster to make up for the lost war time.

There seems to be a popular impression that war advances science. It does not. What happens is that the men engaged in scientific research are called upon to divert their abilities to methods for waging war, and industrial developments are retarded. From the usual business standpoint, war is a system of inverse economics. The peacetime way of doing business—and industry is the commercialization of science—is simple. We try to make something to satisfy the wants of our customers, and we do our best to deliver it to them when they want it, where it is most convenient, and at the lowest possible cost. In war we do it just the opposite: We make something the enemy doesn't want, and do our best to deliver it when he least expects it, and where it will do him the most harm—and at the highest cost to him.

However, war does seem to give an impetus to industrial research. This was also true after World War I. Now, after World War II, the

American Chemical Society has recently announced that industrial research is developing into a \$1,000,000,000 industry. According to this authority, private industry is doubling its prewar outlay for research. The Department of Agriculture has also set up regional stations to deal with agriculture. And, pending in Congress, is a bill designed to give Government support to the promotion of scientific research. In view of this, I do not subscribe to the statements of others that, at the outbreak of war, we were two years behind Europe in scientific advance. I think we were definitely far ahead.

Working for a goal

RESEARCH enterprises have sprung up in the past and languished, mostly for want of projects. You do not just turn a group of men loose in a laboratory and tell them to invent something. You must have a definite goal in mind. And infinite patience is required to adhere to these goals, and not to be turned off into other studies. Research of all kinds must work ten, 15, even 20 years in advance as it takes a long time and a lot of hard work to develop these things. Today is when we must start those things which are going to be in general use tomorrow. And when I say "tomorrow" I mean 20 years from now.

When we contemplate the millions of jobs that have been created by research—internal combustion engines, electronics, and chemicals, to name only three, we can quickly realize what a vital force industrial research is and will be in our lives.

Pure Water Made Cheap

LOW FUEL consumption in distillation has been made possible by a wartime development recently released from secrecy.

This method essentially involves distillation by application of mechanical energy instead of external heat.

An average of 175 pounds or more of distilled water can be obtained for each pound of fuel used. This ratio is three to four times greater than can be obtained with efficient conventional systems using fuel to generate heat.

Known as the Kleinschmidt compression distillation system, it was originally developed in the laboratories of Arthur D. Little, Inc., by a group headed by Dr. Robert V. Kleinschmidt, who served as Com-

modore in the Navy during the war. Many thousands of these stills were used aboard naval vessels to supply pure water from sea water. On land, several thousand gasoline engine-driven, portable units were used especially in the South Pacific to supply water for drinking and other purposes where the sea was the only readily available source of water.

Compression distillation depends upon mechanically compressing the steam or other vapor leaving the evaporation compartment of the still. This compression raises the temperature of the steam enough so that, by heat exchange, it can be used to boil more water and make more steam. The process is continuous with small loss of heat.



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ALL TYPES OF MACHINES FOR APPLYING STAPLES

It's 'Uncle Shylock' Again . . .

(Continued from page 40)

thing in a material way. Add to this the momentum of the joy of liberation and the pleasing sound of the 1945 propaganda version of "Lafayette, we are here," and it is not surprising that the French populace got a pretty exaggerated idea of what could be expected from America in the way of much-needed material aid.

We had planned to send a great deal more than we did. But fate intervened in the form of an unexpected speed-up in the tempo of events in the Pacific, where our military chiefs thought they saw a chance to knock Japan out right away. There was a rush to divert all possible materials and ship-bottoms to this new crucial sphere of operations.

The result: Instead of boundless aid, the French got relatively little.

Friction with the people

ABOUT this time, also, the honeymoon period was wearing off between the French people and the American troops. There was a repetition of some of the irritations that arose at the end of World War I. Due to the artificial level at which the franc was held and the natural acquisitiveness of the French shopkeepers, American GI's paid exorbitant prices for many things they bought.

For their part, many GI's—and some of the officers—weren't too tactful. There was that matter of the plumbing—plumbing is an important factor in the GI's estimate of any country—and the automatic elevators which didn't work. Many of the inhabitants—especially the country girls—were wearing war-remnant clothes, shabby shoes, or perhaps no shoes, which, taken together with other things, added up to an impression of untidiness that gave the GI's the idea that the French were on the sloppy side. They tended to treat them with condescension, which naturally caused resentment.

On the official plane, French-American relations had the handicap of the wartime tilt between De Gaulle and Roosevelt, and the fact that in Africa the Americans originally had teamed up with the wrong crowd, "wrong" at least in terms of post-Armistice developments.

Some efforts were made to smooth out a few of the kinks, of

course. Even before the currency devaluation, the French government finally offered to pay each GI a subsidy of 850 francs a month, to cushion his exchange handicap. And on the international level, the Export-Import Bank in December granted France a loan of a half a billion dollars. Most of the damage had been done, however.

India wanted our help

IN South East Asia, circumstances were different, but the feeling of disappointment and letdown is quite as strong, perhaps stronger, as it springs mainly from moral considerations.

In India, reports Stewart Hensley, recently returned South East Asia manager of the United Press, the American soldiers as well as government officials held a unique position in the eyes of the native leaders as well as the general population. America was known as the traditional champion of liberty. Our missionaries had preached the humanities. Our radio was booming the Four Freedoms across the Pacific. America had a reputation for international probity, and the words were taken at their face value.

The Hindus also viewed our troopers through Oriental eyes. They knew they were there to fight the Japs, of course, but there was the impelling fact that these defenders of liberty were on the spot and in force. In the Orient, physical presence counts. A foot inside the door, especially a powerful one, has a habit of remaining.

Increasingly, the idea got around that the sturdy liberty-loving Americans, having arrived at last, would not let the British "push India around" any more. Certainly our Government intended to avoid giving this impression, although an occasional OWI broadcaster may have allowed his enthusiasm over freedom to carry him too far. At any rate, the Hindus had the thought that they could expect substantial aid from us when the postwar tussle for independence was resumed. American popularity probably reached its peak at the time of William Phillips' mission to India.

Came the Armistice, and American troops began to move out; then the final shock of the official announcement that the United States was quitting the South East Asia

command, not wishing to putter around in a British "sphere."

"When I arrived in India in 1944," Hensley relates, "the Hindus treated the Americans like heroes. When your auto approached a traffic jam, the natives would clear a path for you, shouting 'make way for the American.' Their eyes shone when they recognized your insignia."

"Last October, when I drove through Bombay to cover the All-India Conference, students climbed on the running board of my car, stuck their heads through the window, and shouted the familiar cry of defiance they so often had thrown at the British. Only this time, the words were 'Quit India, Americans!'"

Comparatively few American fighting troops got into Burma. Most of our forces there were supply force people, and our operations were limited to the freeing of the Burma Road (mainly a political gesture to bolster Chinese morale). Most of the combat load was borne by General Stilwell's Chinese. Nevertheless, the presence of American GI's on Burmese soil, Hensley found, was sufficient to touch off the imagination of Burmese patriots, this plus the radio bombardment of the Four Freedoms from OWI outposts. The final disillusionment was pretty intense.

Siam is more friendly

IN SIAM, public opinion in the American sense can scarcely be said to exist. The peasants' interest does not reach much beyond their rice fields and the prices for their crops. However, the Siamese officials have been friendly towards America—they gave our OSS invaluable aid during the war. In return, the American State Department was able recently to soften materially the peace terms the British intended to impose.

In the Dutch East Indies, popular attitude always has been friendly toward the United States, but the Indonesians got a severe jolt when they saw USA lend-lease armaments lumbering at them, to quash their independence uprising.

Korean leaders have been bitter about our seeming lack of enthusiasm over their independence aspirations, or rather our leisureliness in fulfillment. But the Koreans are old hands at adaptation—their record of collaboration under the Japs was practically perfect up to V-J Day—and incidents have been few. The main weakness of occupation has come from the fact that we neglected to develop



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in advance any concrete program or trained staff for operations after the Armistice. Our Army of Occupation entered without a single Korean translator of its own.

In China, America's stock is still generally high. Realistic and individualistic, the Chinese want all they can get, and the volume of our aid has not bulked too large. However, the things we sent have shown up well.

Neil Brown, a prewar "China hand" just back from an OWI stretch in China—he speaks Chinese and used to work for the Dollar Line—says he found American lend-lease textiles 400 miles from Chungking, in a province over which Chiang Kai-shek's eldest son was governor.

"Do you know about America?" he asked some Chinese children he met on the road.

"Oh, yes. America is off there." (Pointing east.)

"Do you know who President Loo-su-fu is?" (The Chinese language having no "R," Roosevelt is pronounced Loo-su-fu.)

"Oh, yes. He gave us our Loo-su-fu cloth."

Brown found Chinese business men generally eager to do business with America. And oddly enough, he says they often are plentifully supplied with cash—many having sizable hoards of gold bars accumulated during the war.

Little hated from Japanese

IN JAPAN, the American occupation is still in its honeymoon stage. MacArthur is phenomenally popular, both because he is sufficiently theatrical and decisive to appeal to Oriental fancy and because the Japanese have become convinced he is trying to be fair, even if severe. American GI's get along well with Nipponese girls, on a sign-language basis, and Japanese shopkeepers thus far have not been too greedy.

What will happen when the nation comes out of its initial coma, is anybody's guess. Some well-informed Americans fear an upsurge of Communism, the yeast of which already is under the surface.

After World War I, there was a somewhat comparable phenomenon on the Rhine, where the American doughboys hit it off excellently with the German population. From the German side, one potent factor was the postwar relief activities of the American Quakers. To the Germans, it seemed almost incredible that an enemy people would send in food and medical supplies right after

the Armistice; the cumulative effect on popular reactions toward America was considerable. During the first half decade of peace, the United States was more popular in conquered Germany than in any continental country.

Today, this particular history is not repeating itself. The American occupation forces got off to a fairly good start in some regions, but bitterness was close to the surface. For one thing, Germany of 1945 was more sour than the Germany of 1918. The occupation was a much bigger affair, and while at first the job was carried through quickly and efficiently—considering the difficulties—morale among the occupying troops soon began to lag.

The de-nazification assignment was complicated, as was the untangling of the economic mess, and enthusiasm gave way to an intense desire on the part of both officers and men to come home.

A few friendly countries

A QUICK survey of the rest of the globe reveals that Americans still can circulate, without fear of moral brickbats, in the following countries: Finland, Denmark, Sweden, Holland, Switzerland, Austria, Turkey, Iceland, Canada, Australia and probably a few other places, particularly if they are remote enough so the inhabitants don't know us very well.

In Russia, the "man on the street" (and the man on the steppes) is likely to be friendly, but the Soviet Government hovers on the noncommittal side. The Kremlin works with us some times, sharply opposes us at other times. As allies in the UNO, we are trying to work out our differences. The Kremlin may warm up as we succeed.

Italy has gone through several



"No use getting off folks. We're out of everything on this floor"

stages of disappointment, although personal relations with the Army of Occupation normally have been pleasant. The Italians were grieved that we were so lukewarm in our support of "liberal" political groups; they accuse us of letting the British shove us around politically, notably in the support of the Savoy dynasty and the Sforza incident. They complain we have not got the country to running in all this time and have not lowered the Armistice trade barriers that locked the peninsula up inside itself, isolated from the rest of the world, in spite of the fact that they became an "ally."

There isn't the bitterness there is in France, however, and the probability is the frowns will turn to smiles when we begin to send in quantities of goods and resume our prewar trade.

In New Zealand, South Africa, and England, the press has been sharply critical over the recent loan. In both dominions, the United States has been dubbed Uncle Shylock for "driving a hard bargain with an ally that already had made an oversized contribution in blood and sacrifice." The British public has picked up the refrain a bit more than might have been expected, but tempests have occurred before in our relations with England.

Like a family quarrel

DURING the 25 years I have been in and out of England, for stays varying from several months to two years, I have seen a number of such tempests. They cause pin-pricks, but don't represent any real threat to the entente. England and the United States are like members of a big family that squabble now and then but consistently hold together when danger looms.

Latin America isn't definitely hostile, but travelers agree United States' popularity has dropped noticeably during the past year. One cause has been the row with Argentina, whom the other South American countries still look upon as a member of the American family—a slightly recalcitrant one, perhaps, but still a brother. Our varying attitudes towards Buenos Aires have created a feeling of uncertainty, it is said, about what to expect from Washington in its dealings with the other American republics.

More potent, perhaps, has been the general chagrin over the sudden termination of many lucrative wartime purchases the United States had been making for so

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many years. The 16 coffee-producing countries, also, are annoyed at American ceiling prices, in spite of the fact Washington has been paying them a subsidy above the official ceiling figure.

It is an illuminating sidelight that in the current presidential campaign in Mexico, the political prophets are arguing about whether the known pro-United States leanings of one of the candidates will defeat him at the polls next summer!

Bewildered at our strikes

ONE general reaction seems to be prevalent nearly everywhere, in Europe as well as elsewhere, among both our friends and critics—a feeling of bewilderment over the widespread epidemic of strikes in America. Disputes between capital and labor occur everywhere, of course, and are understood. What stuns foreigners, particularly Europeans, to whom reconversion is a life and death matter, is the way Americans seem deliberately to have tried to gum up their own great industrial mechanism at the crucial time of changeover. Many are wondering if the great American giant really is a mental adult.

From the general panorama, several things rise in relief. Our drop in popularity is disappointing, of course; Americans like to be liked. However, part of the picture seems to fall in the category of "one of those things." We did not want to assume the responsibilities which would have been involved if we had lived up to the expectations of the South East Asiatics. If we had shipped France the goods she needed, it would have postponed victory in the Pacific and cost more lives.

In many areas, the causes underlying present resentments are too basic, also, to be corrected by words. Actions can help as time passes. Actually, world alliances normally rest on expediency, anyway; some have lasted years in spite of stubborn antipathies between the masses of their citizenry.

Certainly the new frowns on the horizon are no reason for us to withdraw to ourselves. All the factors that prompted our post-armistice participation in world affairs persist still—the need to maintain a stable international structure, without which our nation cannot prosper, and the desirability of extending commercial credits where they will consolidate sound future markets.

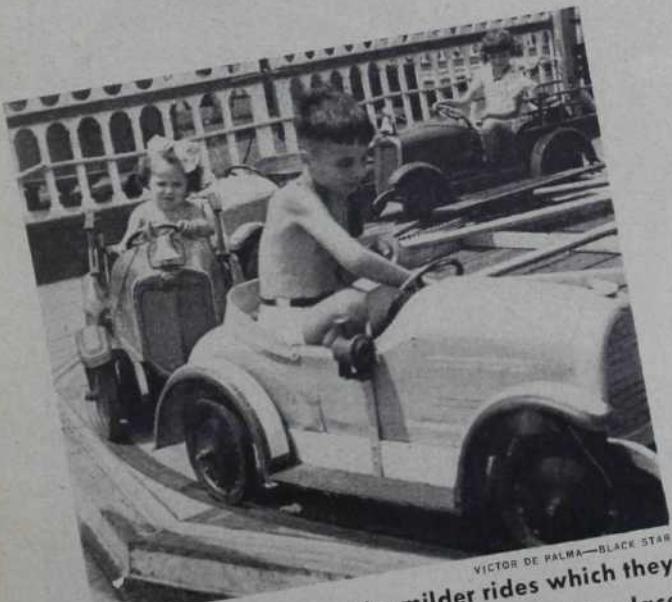
In any event, it's better to be realistic.



MARTY YOUNGMANN—BLACK STAR

THRILLS For Sale...

By H. S. KAHM



VICTOR DE PALMA—BLACK STAR

Young patrons go for the milder rides which they can enjoy without a parent to hold them in place



EWING GALLOWAY

AMUSEMENT park business is bigger and better than ever. Americans and Canadians spend \$100,000,000 a year to be shaken up

EACH week from Decoration Day to the middle of September, more than 7,000,000 Americans are whirled, twisted, swished, swooped, swung, gyrated and, in some instances, stood on their heads by machines produced solely for this purpose by a dozen or so American manufacturers.

The industry began in Philadelphia in 1814, when Michael Dentzel imported a merry-go-round from Germany. So terrific was business and so great the demand for merry-go-rounds, that the Dentzel family formed a company to manufacture them, a business which continued with great success until 1927 when the last of the Dentzels passed on. Today there are about a thousand merry-go-rounds in operation in the United States and Canada.

Merry-go-round operation is good business. At a

dime a ride, it is not uncommon for an operator to gross \$1,000 a day—most of it profit. About 50 per cent of this is derived from adult riders.

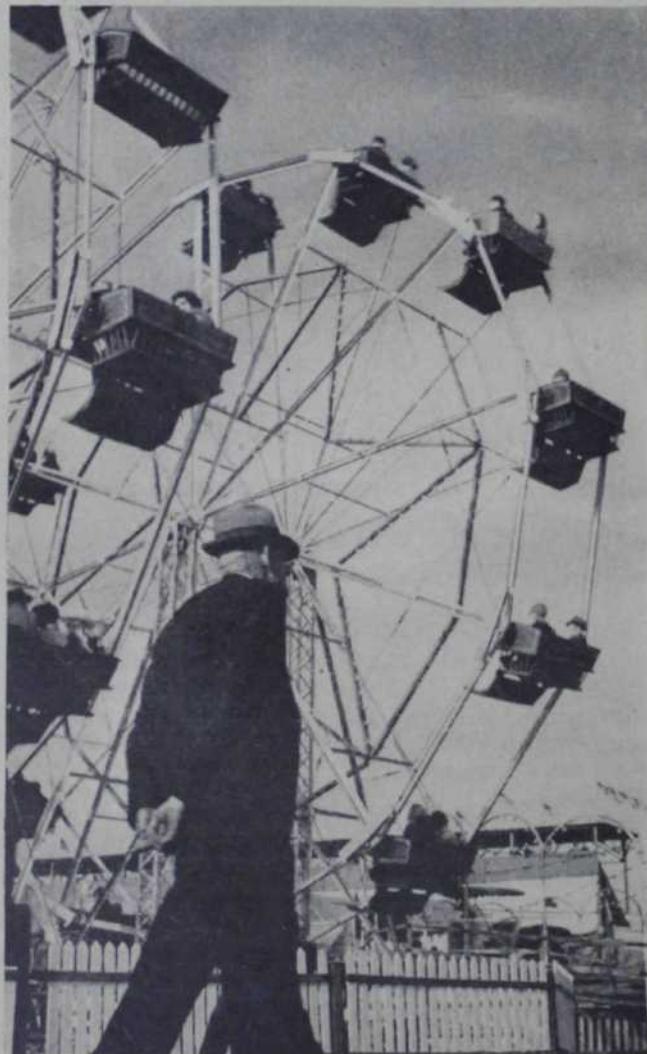
The purchase price of a machine varies from \$5,000 to \$40,000. Handcarved horses alone often cost \$200 each, and a good band organ \$1,500.

Among the most enthusiastic ride patrons are Indians. It is not unusual for an Indian to buy \$10 worth of tickets for the merry-go-round and spend an afternoon riding the wooden horses.

Machines for all sorts of rides

THE merry-go-round is, of course, but one of the many machines Americans use to revolve, swing, twirl, bump, thrill and, in general, terrify themselves. Included on the roster of rides are: ferris wheel (basically a merry-go-round on end), roller coaster, tilt-a-whirl, whip, skooter, caterpillar, parachute jump, shoot-the-chutes, airplane swing, tumble-bug, loop-o-plane, flying scooter, chair-o-plane, water scooter, octopus and others. The average major amusement park or carnival has 15 to 20 of them, selected to run the gamut of motion.

Although still a going concern, the old mill has been forced into the background by such newer devices as Hyla F. Mayne's caterpillar, which caused a sensation when it first appeared in 1922. Consisting of carriages revolving on an undulating track, with a huge, dark green cover which closes down over the passengers at intervals, it affords lovers moments of intimate darkness and gives the ride the ap-



JEAN HERSCHE—NESMITH



The parachute jump, an amusement device, was used to train paratroopers. The drive-o-dome appeals to teen-agers. The ferris wheel does its best business after dark

pearance of a rapidly crawling caterpillar. For an extra touch the floors of the carriages are made of heavy wire mesh underneath which powerful blowers send up intermittent blasts of wind to raise havoc with skirts.

This device which sold to the trade for \$7,500 and grossed \$100,000 in a single season with a large carnival, at 20c a ride is still a money-maker.

The roller coaster, biggest and most profitable thrill-vendor of them all, was invented in 1884 by a Sunday School teacher, Lamarcus A. Thompson, who wanted to create a new and harmless amusement device that would keep young people away from beer gardens and other less desirable places of entertainment.

While the huge device was under construction, other ride men were skeptical. However, when Coney Island visitors stood in line to ride it, they quickly changed their minds, especially when it grossed the staggering sum of \$700 a day—and at a time when eggs sold for a nickel a dozen.

The news hit the outdoor amusement world like an atomic bomb, and ride designers wracked their brains to produce bigger and steeper coasters.

In 1901 the fabulous loop-the-loop was built at a cost of \$400,000 and promised a thrill to end all thrills. Passengers traveled at high speed and zoomed into a complete vertical loop, centrifugal force alone keeping them from falling out of the open cars.

The ride was a triumph of engineering skill. It was publicly demonstrated that a glass of water could be carried on the trip with-

out a drop being spilled. Unhappily, the same could not be said of occasional drunks or show-offs who tried to stand up at the wrong time.

It was too much for the 1901 public and failed. Many ride men are convinced that it would be a smash hit today, and it is rumored that a new one is now being designed for installation at Coney.

New tricks from aviation

ALTHOUGH the modern coaster is a terrific thriller, with passengers being dropped almost vertically for distances up to 90 feet, the parachute jump and the tiny loop-o-plane are equally potent.

The parachute jump affords such a realistic thrill that the War Department took over the device to train paratroopers. Russia followed suit and installed one of the jumps in Moscow's Park of Culture and Rest.

The loop-o-plane, one of the smallest rides, brought a new lease of life to the carnival industry a few years ago when word spread that a new ride was standing people on their heads. It was no rumor. Resembling an airplane suspended from a pivot, the loop-o-plane swings its passengers back and forth in increasingly large arcs until they are making complete revolutions, the riders' hair hanging straight down. Notwithstanding frequent comments from horrified onlookers—"I wouldn't go on that thing for a million dollars"—the loop-o-plane does an excellent volume at 25 cents or more per ride. A large percentage of its most avid patrons are women.

The octopus employs a different



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technique: The passenger is seated at the end of a long, rotating, undulating steel tentacle that swoops him into the air and twirls him in his seat while he reclines helplessly on his back, all of these motions occurring at the same time. One of the best-paying of modern rides, the octopus is manufactured by the Eyerly Aircraft Co., Salem, Oregon, the makers of the loop-o-plane.

Descending the scale of merry mayhem one finds the so-called "mild" rides, designed to supply more smiles than gooseflesh without entirely neglecting the latter.

The tilt-a-whirl, a work of genius, is perhaps the only device wherein a passenger travels forward and backward simultaneously, at considerable speed.

Mere height is not the ferris wheel's main attraction; the thrill comes when the giant wheel stops and the passenger is suspended in mid-air in a tilting, rocking, seemingly precarious seat.

The airplane swing and chair-o-plane are basically similar—both offer the customer a sweeping, circular journey through the air. In the former, he sits in an imitation airplane; in the latter, in a wooden seat, his legs dangling.

The scooter, like its counterpart, the dodgem, is a miniature auto designed to withstand head-on collisions. Passengers bump each other—happily and in safety. The water scooter is the same idea applied to small boats.

6,000 amusement rides

IN the 1,000 amusement parks, carnivals, at beaches and cross-roads in the U.S. and Canada, there are 6,000 riding devices of all types in current operation grossing about \$100,000,000 a season.

Ride operators cry loudly and continually for new and better rides. Inventors flood manufacturers with blueprints or working models of devices that would often put Rube Goldberg to shame. Most of these inventors get nowhere chiefly because they know nothing about the industry. They offer rides that are either unoriginal, too costly, too dangerous, or lacking in portability.

Portability is a requisite for the average ride, for without it a ride cannot be offered to the lucrative traveling carnival market. A carnival ride must frequently be assembled in the morning and dismantled and moved the same night. The tilt-a-whirl, a good example of one that fulfills this requirement, weighs tons, yet can be set up by four men in four hours, and dismantled even faster.

Most rides are portable. The stationary ones such as roller coasters are built to order for permanent parks.

The public's tastes are inscrutable, varying in different localities. In one town a carnival's chair-o-plane will remain empty while crowds stand in line to patronize the whip. In another town, perhaps 20 miles away, the whip may be virtually deserted while the erstwhile forlorn chair-o-plane will be enthusiastically mobbed. Sometimes a newly invented ride goes over like a house afire for a season, and is thereafter shunned by the public. Generally a merry-go-round does its biggest business during the day-time, while the reverse is true of the ferris wheel.

Most riding devices are bought and sold for cash, but not for lack of mutual confidence. Many second-hand rides advertised for sale in the *Billboard* are purchased by mail, sight unseen, by experienced operators.

Machines pay for themselves

WHEN new rides are sold on time payments, the usual terms are 20 to 33 1/3 per cent cash, with the balance payable in two to three seasons, not at any set rate in the usual sense. The device is allowed to pay for itself, 30 per cent of the gross receipts being the generally accepted pay-off. The purchaser is put on his honor, no one is sent to check his receipts.

In normal times a ride costing under \$10,000 will gross up to \$15,000 a season. In an amusement park, the ride concessionaire will pay 15 to 25 per cent of his receipts for his location—40 per cent in a carnival that provides transportation as well as space. Pay roll expenses are modest.

Depreciation on most devices is negligible. Many rides built 40 years ago are still in operation and making money, although seldom as much as the newer, flashier editions. This long-wearing quality has caused manufacturers some anguish. The ride makers have met this situation largely through the sale of replacement parts, and supplies—even to paint and light bulbs.

It was once feared that the advent of high-speed autos, planes and speedboats would so thoroughly satisfy the public's thirst for thrills that the amusement riding device industry would languish. If anything, the reverse is true. The public craves bigger and better thrills, and the U. S. outdoor amusement industry has them for sale.

They Look Ahead for Business

(Continued from page 43)

paratively new profession. It is said that 15 years ago there weren't 12 company-hired economists in the United States. Then business men began running into them in Washington—in all the government bureaus—and soon were thinking: "Maybe I need one too!" Now you will find whole departments of them with supporting staffs—as Western Electric's 12, Mutual Life's 16, Standard Oil of New Jersey's 53.

"Would one do me any good?" sometimes a business man asks.

Well, U.S. Steel's economist remarked one day recently that his whole department was: "Myself and my secretary, and she's sick." So it would seem that a single industrial economist can render even the larger companies a valuable service.

Salaries range high

THAT the big companies think highly of them is indicated by the salary ranges. One automotive firm, for instance, is reported to pay its economist (who is often termed a theorist of theorists) \$75,000 a year.

That all industrial economists are former college professors is a common belief. It is far from true. Many are up from the ranks through business itself. A surprising number have had editorial, publishing and writing experience. You will find them with back-

grounds like that in the biggest corporations: Dun & Bradstreet, National City Bank, Mutual Life Insurance Co. of New York, to name only three.

He must have no bias

ANOTHER misconception is that the company-hired economist is usually more *hired* than *economist*. That is, that he is a bias justifier, a paid plunger of his employer's ideas. Nothing could be further from the fact. For once he loses complete freedom of expression an economist is, rather obviously, useless to any employer.

Michael Heilperin of Bristol-Meyers has said: "The industrial economist should be in a position to tell his views quite frankly to the management even if his views should be at variance, on some matters, with the management. A company will wish, of course, to have as an economist a man who believes in the principles of free enterprise capitalism."

And Nathaniel Whitney of Procter & Gamble Co. stated it thus:

"He must not become an advocate and thus lose his scientific integrity. If he is willing to support every position taken by his company, he will soon lose his value to his company."

There, perhaps, is one more function of the industrial economist—a seldom noted one. Whichever he delves, in whatever corner of industry, he keeps alive the ideal of scientific integrity. He is ever the strong believer in the search for truth through the medium of objective inquiry.

Should my friend in the back row still wonder a bit about how much the modern industrial economist does for his employer, I commend to his reflection the remark of one of them made only recently: "In the Army," he said, "when you needed help on a problem, the refrain used to be, 'See your chaplain.' Well in business nowadays, it's getting more and more to be, 'You'd better see your economist.'"



"Well, well, Mr. Currin! As I remember it, you were on my draft board"

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BUSINESS and industrial leaders plan national meeting to find solutions to new problems growing out of adjustment from war to peace

SEVERAL thousand top-flight leaders in nearly every branch of America's commerce will gather this month for the nation's most important business conference of 1946.

From across the country this cross-section of the men who make up the national business structure will assemble in the 34th Annual Meeting of the Chamber of Commerce of the United States. It will be held April 30 to May 2, in Atlantic City, N. J.

Stressing the importance of this year's sessions of the Chamber's national membership is the vast and complex readjustment confronting the nation, its commerce and its individual businesses.

Problems for business

GATHERED at the Atlantic seaside resort will be men who take part in and directly represent the national business economy that has been told it must provide 60,000,000 jobs, that it must raise itself to a historically high level, that it must produce, finance, distribute and service at a rate far beyond that of any earlier human experience. These men will be seeking solutions to the new problems and conditions originating in the adjustment from war to peace, from controlled to semicontrolled operations, from today's unsettled factors and tomorrow's uncharted factors. They will bring from their own plants and firms a firsthand knowledge of the problems American business faces.

Opening address will be by Eric A. Johnston, president of the National Chamber, in the main ballroom of Atlantic City's spacious Convention Hall.

His subject will be the keynote of the entire conference: "Paths to Production."

Others of distinguished rank in



business, higher learning, statecraft and law will take the rostrum to shed light along these paths.

"With our country in a critical state of readjustment it is more essential than ever that business men understand the fundamental economic forces which, directly or indirectly, affect their decisions," Mr. Johnston said in discussing the conference.

Through general meetings, round table discussions, luncheon sessions and less formal get-togethers, the conferees will strive to clarify and outline their problems and arrive at policies both workable and conducive to the economic expansion America expects—and the world expects of it.

Among subjects which will get

principal attention at the meetings are:

Essentials of a free economy.

Price control policies, other regulations, and government-business relations in general.

America's world interests.

Absorption of veterans in business and industry, lent added significance by reports of a million unemployed veterans.

Labor-management relations, and the public's stake in industrial peace.

Policies governing taxation and the servicing of the national debt.

The future military establishment.

The relationship of agriculture in an industrial economy.

The theory that the nation has

Progress

By PAUL McCREA

PATHS TO PRODUCTION...

GROUP SESSIONS

Labor-Management Relations

Promoting Labor Peace
Labor Legislation

Taxation and Fiscal Policies

The Tax Situation
The Debt Situation
The Budget Situation
The Banking Situation

Agricultural Prosperity

Wider Use for Farm Products
Parity Prices
An Ever-Normal Refrigerator

Our "Vanishing" Natural Resources

State Interest in Natural Resources
Conservation by Private Enterprise

Distribution—Handmaiden of Production

Distribution Practices
Price Controls—Which Way Do We Go?
Manufacturer-Distributor Relations

The Future of Construction

Stabilizing Building Activity
Research and Reduction of Costs
Training Construction Workers

Tomorrow's Cities

Land Assembly and Housing
Major Thoroughfare Development
Traffic and Parking
Local Transit Needs

Transportation

National Transportation Policies
What Legislation is Needed?

Aviation's Challenge

Airport Needs
Airline Services
Local Aviation

Foreign Commerce

Preparing for Expanded Trade
Our Merchant Marine

Free Enterprise in a World Economy

Our Participation in UNO
A Workable World Peace

reached a stage of economic maturity, a theory opposite that of business leaders who foresee an era of industrial expansion, also is expected to be discussed in detail.

From deliberations at the various sessions will arise the national policies of the U. S. Chamber, whose far-flung membership constitutes a composite representation of U. S. business, industry, agriculture and community life. These policies will become the working rules of the national Chamber during the coming 12 months in bringing the combined viewpoint of business to bear on national and international affairs.

Immediately after the close of the membership sessions, Chamber directors are scheduled to elect a successor to Mr. Johnston, dynamic

Westerner who has guided the organization through the war years. He is the only four-term president in Chamber history.

Mr. Johnston has announced that he will not be a candidate, that he intends to devote a larger part of his time to the presidency of the Motion Picture Producers and Distributors of America, Inc., a position he accepted last fall.

New president of Chamber

REPORTED to have widespread support as Mr. Johnston's successor to the Chamber presidency is William K. Jackson of Boston, Mass., who has served as a Chamber vice president since 1942 and has been on the Board of Directors since May 1, 1941.

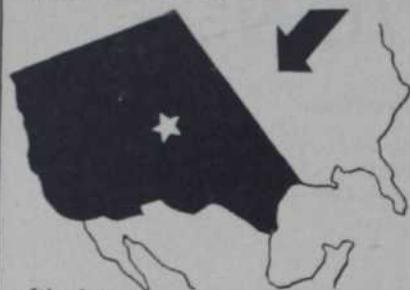
Mr. Jackson would bring to the top office of the organization a broad background of business and professional activity and an active interest in international relations and trade. He is vice president and a director of the United Fruit Company, and a director of eight other business firms.

After receiving his education in the Universities of Florida and Virginia, Mr. Jackson practiced law in Florida and served as prosecuting attorney and a U. S. attorney in the Canal Zone before entering business. He is a director of the World Peace Foundation.

Recognizing the increasing interest of women in business and world affairs, organizers of the annual meeting have arranged a women's session on "Free Enter-

Are You LOOKING FOR a MANUFACTURER'S REPRESENTATIVE OR JOBBER

In this fast-growing U.S. MARKET?



We Want New Quality Lines in

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- AUTO ACCESSORIES • RUBBER GOODS (Hose, etc.) • CHAIN STORE ITEMS • TOYS (Roller Skates, bicycles, tricycles)

Strategically located in center of America's fastest-growing market. Four-hour air service to any part of territory. Complete warehouse facilities and experienced sales force. Approximately million dollar volume in 1945. Financial statement and bank references on request. WRITE OR WIRE

PREMIER PRODUCTS CO.

427 First National Bank Bldg., Denver, Colorado



ONE DEPENDABLE SOURCE For Screws, Nuts, Bolts, Washers

Fastener specialists. Every size, design, material. Millions of "regulars" and specials in stock or will manufacture to order. Ask on letterhead for samples, prices and new 1946 Net-Price Catalog and Fastener guide.

MANUFACTURERS SCREW PRODUCTS
336 W. Hubbard St., Chicago 10, Ill.



54 FIRST STEP STOCKS FOR A LONG TERM PROGRAM OF SUCCESSFUL INVESTING

One of the most important studies this company has ever released is being distributed to our nation-wide clientele of investors—HOW LONG WILL THE BOOM LAST?

If you are seeking advice—when to sell—which securities to buy for a predicted further advance—which industries to buy into and which to avoid—be sure to get this analysis prepared by the largest firm of investment analysts in America.

SEND FOR THIS SPECIAL STUDY TODAY!

SClip a dollar to this ad, attach your name and address, and we will send you the study, HOW LONG WILL THE BOOM LAST? In addition, we will send you 3 issues of THE OUTLOOK, a service for investors.

Offer open to new readers only

STANDARD & POOR'S CORPORATION
345 Hudson Street, New York 14, N.Y.
A-791-173

prise in the World Economy." Women of outstanding prominence will lead a forum discussion. The audience will be encouraged to take part in the discussion and question the speakers.

New to many at the meeting will be long-denied elbow room—the expansive luxury, soft spring breezes, the opportunity to relax at the seaside. Many will combine a business trip with pleasure on a scale not possible since war's demands took over hotels, restricted travel, and tied men and women closely to their work.

The Chamber, organizing its first annual meeting since 1943, has obtained a guarantee of 3,650 hotel rooms, more than two-thirds of which are in hotels directly on the famous boardwalk. Both the resort and its flowers are expected to be in full bloom. The season will open officially several days before the Chamber sessions.

A postwar increase in travel convenience and comfort is indicated by arrangements for through trains to the meeting from Chicago and Washington, and special Pullman cars from other points.

Not the least advantage sought by many of those who will put aside today's complex problems of reconversion and unsettled business conditions to attend the conferences will be a long-denied opportunity to meet quietly in smaller groups of men with similar problems, similar interests. From these matter-of-fact meetings will come fresh ideas, new approaches.



"You are the type of man who will be mad as the devil when you discover that you are now standing on wet paint!"

IN SAN FRANCISCO

On Market Street overlooking the Civic Center



500 ROOMS
FROM \$3

A patrician among hotels

HOTEL WHITCOMB

MARKET AT EIGHTH

KARL C. WEBER

Operator

HOTEL WASHINGTON

GRANT AVE. AT BUSH

In the downtown
Shopping Center
Moderate Rates

PANAMERICANA
COCKTAIL LOUNGE

Ownership Management—Karl C. Weber

a safe
investment

for Home... Office

Bank vault
type protection
approved by Underwriters Laboratories. Burglar resistant with Sargent and Greenleaf combination locks.

the PRESIDENT



Fireproof
—heavy double thickness specially fabricated steel with plastic fire resistant insulation 2" thick. Weighs approximately 300 lbs., and measures 26 1/4" x 18 1/4" x 17 1/2". Steel inner compartment and two keys, also steel dividing spaces.

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\$66 F.O.B.
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GARFIELDS

15 W. 37th St.
New York 18

PACIFIC GAS AND ELECTRIC CO.

DIVIDEND NOTICE

Common Stock Dividend No. 121

A cash dividend declared by the Board of Directors on March 13, 1946, for the first quarter of the year 1946, equal to 2% of its par value, will be paid upon the Common Capital Stock of this Company by check on April 15, 1946, to shareholders of record at the close of business on March 29, 1946. The Transfer Books will not be closed.

E. J. BECKETT, Treasurer
San Francisco, California

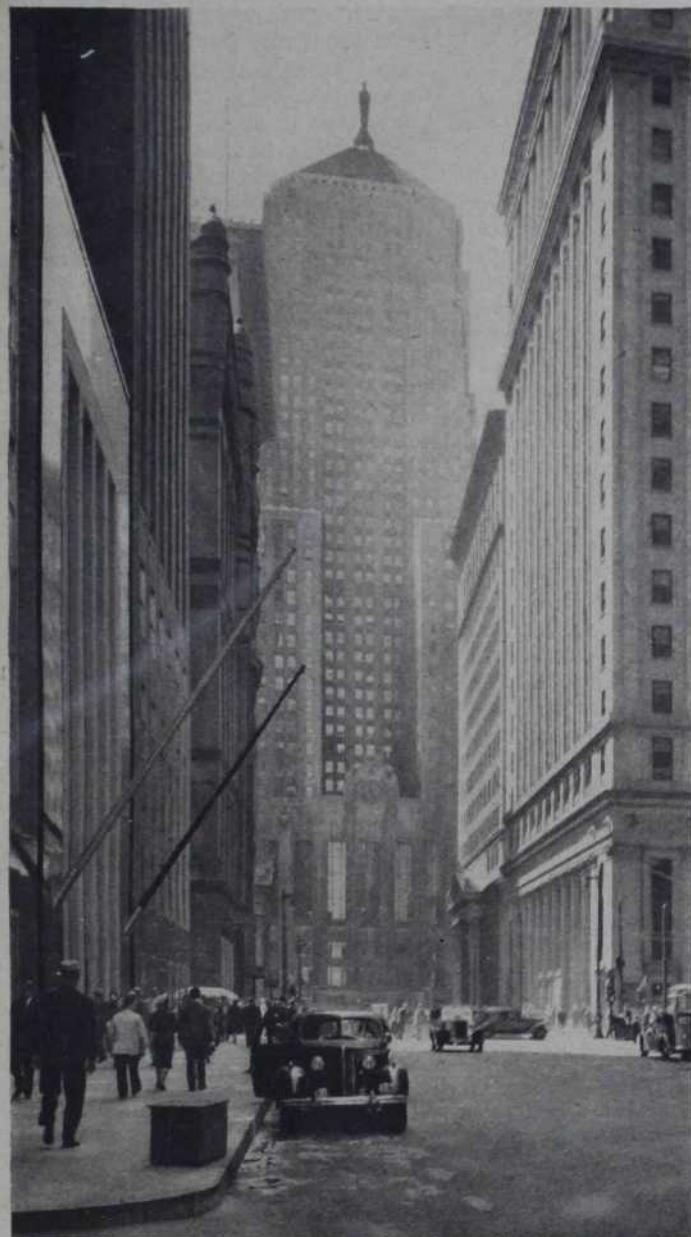
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STENCILS
FOR MARKING
SHIPMENTS**

MARSH

Machines cut: 1/2", 3/4", 1". For details, sample stencils, prices, pin this to business letterhead with your name.

**MARSH STENCIL
MACHINE CO.**
72 MARSH BLDG.
BELLEVILLE, ILL., U.S.A.

Chicago and Northern Illinois ... a Great Financial Center



Chicago ranks as the third financial center of the world.

Debits of reporting banks here amounted to 75 billion dollars in 1945. With deposits of approximately 9 billion dollars, the banks in Chicago and Northern Illinois are prepared today to meet the financial requirements of any sound enterprise.

War production greatly increased the financial importance of this area and provided a broader base for future expansion. Here the Federal Government itself invested more than a billion dollars in new plants and equipment—more than in any other industrial area. Most of these modern, efficient facilities are now occupied and active in peacetime production.

Neither the war—nor the peace—subjected Chicago and Northern Illinois to the industrial dislocations experienced by many other sections of the nation. For reconversion to peace, 93 per cent of industry required few production changes.

To the needs of producers and distributors of goods, bankers of Chicago and Northern Illinois today bring the traditional vision and knowledge which have been important factors in the growth of this trade center. These commercial and investment bankers are organized to provide the resources and special service to meet sound financial requirements of all industry developing within this area.

Industry finds here the people and the facilities to help solve its financial problems, whether the needs be for additional working capital, funded securities, or equity money through sale of stock. Here are located the main offices of many of the nation's most active underwriters and distributors of investment securities. In 1945 issues underwritten by these firms totalled approximately a third of all corporate and municipal debt obligations in the United States.

Bankers in Chicago and Northern Illinois will not only handle the underwritings of large and small business, but will provide accurate, up-to-the-minute information on your export problems, advise you concerning your investment portfolio, and act in varied trust capacities.

For your long range future, this evenly balanced economic area, the center of all Middle Western trade, provides outstanding advantages. You are invited to investigate them in detail, and to call upon us for factual and confidential information. This service is without charge.

Industries locating in this area have these outstanding advantages • Railroad Center of the United States • World Airport • Inland Waterways • Geographical Center of U. S. Population • Great Financial Center • The "Great Central Market" • Food Producing and Processing Center • Leader in Iron and Steel Manufacturing • Good Labor Relations Record • 2,500,000 Kilowatts of Power • Tremendous Coal Reserves • Abundant Gas and Oil • Good Government • Good Living

*This is the seventh of a series of advertisements on the industrial, agricultural and residential advantages of Chicago and Northern Illinois.
For more information, communicate with the*

TERRITORIAL INFORMATION DEPARTMENT
Marquette Building—140 South Dearborn Street, Chicago 3, Illinois—Phone RANDolph 1617

**COMMONWEALTH EDISON COMPANY • PUBLIC SERVICE COMPANY OF NORTHERN ILLINOIS
WESTERN UNITED GAS AND ELECTRIC COMPANY • ILLINOIS NORTHERN UTILITIES COMPANY**

Four Cooks Spoil the German Broth

(Continued from page 52)

the letter concluded. "However, the administrative burden of trying to locate these people and treat them differently from the rest is almost impossible."

The President reaffirmed that our policy in Germany is what American public opinion demands. The critics of reconstruction have support in other high places. Former Secretary Morgenthau, according to those familiar with his original plans, recommended flooding the coal mines and reducing the country to simplicity. Lt. Gen. Lucius D. Clay, deputy military governor, proposed a search of all private homes for a book burning orgy. Robert Murphy, State Department representative, permitted criticism of local officials by the already tightly hobbled German newspapers but that was stopped as an indirect reflection on the Army officers who appointed the officials.

Criticism for starvation

THE retorts and denunciations of our policy as calloused and inhuman are even more heated. It is cynically described as popularizing democracy by hunger, starvation and brutality.

Such horrifying stories of starvation, cold and sickness were brought from Germany by Rev. Franklin C. Fry, president of the United Lutheran Church in America, and by others that the American Council of Voluntary Agencies sent an eight-man delegation to investigate. They represented the National Catholic Welfare Conference, American Society of Friends (Quakers), International Rescue and Relief Committee, World Council of Churches, Congregational Relief Society, Congress of Industrial Organizations and American Federation of Labor. They did not enter the Russian Zone.

Even before the delegation returned, 11 American relief organizations received permission to ship 2,000 tons a month of medical and sanitary supplies, soap, cod liver oil, powdered milk, infants' food and clothing for nursing mothers and children in the American Zone. The distribution will be made by affiliated private organizations in Germany under Army supervision. Months earlier, British authorities invited American agencies to distribute relief in their

zone, but Washington, citing the Trading with the Enemy Act, forbade shipments from the United States. The ruling still prevents sending letters or parcels. The first shipment is now being prepared and later ones may go also to the British and French Zones.

Shortage of housing and fuel

"WE are neither fools, murderers nor softies," an Army officer on the military governor's staff declared on a flying trip to Washington. "Germany has less soil and more mouths to feed and the American Zone is particularly crowded. It does not have adequate housing, fuel, food or clothing. We are bringing in 1,000,000 tons of food a year for the Germans of our zone, while UNRRA imports an equal amount for displaced persons.

"Berlin is entirely on relief brought in by the four occupying powers and distributed by the German burgomaster," he continued. "Lack of transportation has isolated most market centers in our zone but conditions are improving. Since November, the food ration has increased from 1,262 to 1,550 calories, 1,700 for prisoners and more for manual laborers, though 3,000 is the norm in the United States."

The ration in the British Zone where 10,000,000 face starvation will be reduced to 1,014 calories and the American is expected to follow.

"In the American Zone, 600,000 displaced persons are maintained in idleness, a constant cause of trouble," says Secretary of War Patterson, in discussing the problems. "We also must feed another 100,000 under arrest for war crimes. Finally, in addition to the large local population, there are

millions expelled from Czechoslovakia, Poland and other neighboring countries. At the same time, we are reconstructing the country."

Our military governor reports that there has been much suffering and death and that medical supplies are extremely limited. However, epidemics have been prevented. Infant mortality in the U. S. sector of Berlin has been reduced from 94 deaths in each 100 births, last July; to 24, in October; compared to six in 1939.

Children between ten and 15 years are reported eight to nine per cent underweight and the aged, between 60 and 66, ten to 20 per cent. In our zone, 1,535,000 children, or 88 per cent of those between six and 14 years, are in elementary schools. They average 77 to a class. The 19,000 teachers are only 65 per cent of what are needed.

Disarmament of Germany is expected to eliminate 1,000,000 jobs while factories removed for reparations will account for 2,000,000 more. The latest survey in the American Zone showed factories average only ten to 12 per cent of their capacity. Only those whose future status is not doubtful are above that average, principally food processing, textiles, shoes, pottery, fertilizers, hand tools, glass and paper.

Main line railroads have been 94 per cent restored but are far behind in repair of rolling stock and woefully short of coal, as are the factories, while no coal at all is available for domestic heating. Only 34 per cent of locomotives are serviceable; passenger coaches, 40 per cent; freight cars, 70 per cent; canal and river boats, 81 per cent.

Surprising accomplishments

WHAT the Army has accomplished despite the pulling and hauling of the doctrinarians, is surprising. Another approach to the entire problem is gaining ground, a recent State Department report stating:

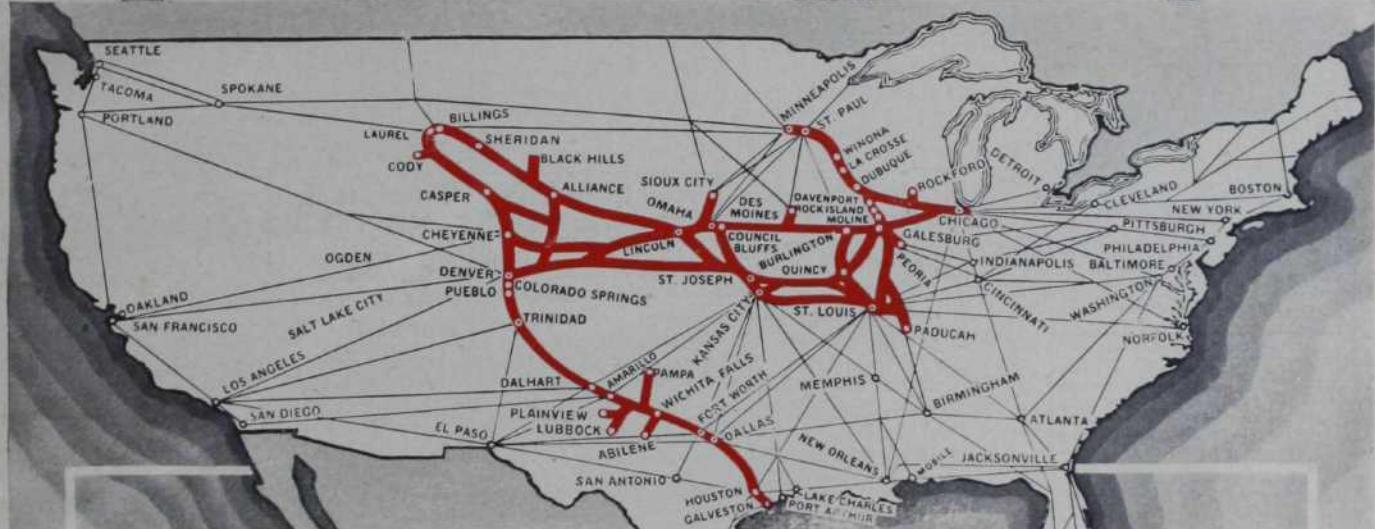
"Eliminating war potential simply by abolishing industry and restricting production to agriculture will result in mass starvation for Germany and serious depression for Europe."

Our de-Nazification policy has been a serious drag on getting things moving. Every employee of government, state or village was under civil service and willy-nilly a member of the Nazi party. Finding non-Nazis qualified for the smallest job is almost impossible. Coupled with that is the inertia of



MEMO TO: INDUSTRIAL MANAGEMENT

Are you mapping your
plans for a Western
plant location?



**THIS MAP MAY LEAD YOU TO THE SPOT YOU'RE
LOOKING FOR . . . INVESTIGATE and COMPARE!**

It takes a lot of things to make a good plant location. Some, like availability of resources and power facilities, are pretty obvious. Good transportation, of course, is a *must*. Other factors, less tangible, are every bit as important. The spirit of a town or city, for example. The caliber of available workers. The attitude of folks toward their work.

A lot of industries are locating in this potent Burlington area because it seems to stack up best on all of these counts. Naturally, we of the Burlington want to interest industrial

people in this territory—to work with them, before and after they've moved in. For, in great measure, our prosperity parallels the prosperity of our industrial neighbors. That is why our Department of Industry and Agriculture maintains a constant program of cooperation in matters pertaining to plant location and transportation service.

J. B. LAMSON, *Director,*
Department of Industry and Agriculture,
547 West Jackson Boulevard, Chicago 6, Ill.

BURLINGTON LINES

CHICAGO, BURLINGTON & QUINCY RAILROAD • COLORADO and SOUTHERN RAILWAY • FORT WORTH and DENVER CITY RAILWAY
THE WICHITA VALLEY RAILWAY • BURLINGTON-ROCK ISLAND RAILROAD

Everywhere West

AN ESSENTIAL LINK IN TRANSCONTINENTAL TRANSPORTATION

Way of
the
Zephyrs



INSURANCE CALENDAR



APRIL

On April 6, 1909, Commodore Robert Edwin Peary reached the North Pole—a magnificent example of how man, through perseverance, can eventually win against natural hazards. Similarly, witness the unceasing efforts of the National Board

of Fire Underwriters in their crusade against fire. Sponsored by leading capital stock fire insurance companies, its 80-year efforts have immobilized fire hazards to the point where life is immeasurably safer, property insurance rates are the lowest ever.

1946—APRIL hath 30 days

"Break bread—and give your brother half"

ASTRONOMICAL CALCULATIONS

EASTERN STANDARD TIME

APR.	Latitude +30°		Latitude +35°	
	SUNRISE	SUNSET	SUNRISE	SUNSET
1	5:50	6:18	5:48	6:20
6	5:44	6:21	5:41	6:24
11	5:39	6:24	5:34	6:28
16	5:33	6:27	5:28	6:32
21	5:28	6:30	5:22	6:36
26	5:23	6:34	5:18	6:40

APR.	Latitude +40°		Latitude +45°	
	SUNRISE	SUNSET	SUNRISE	SUNSET
1	5:46	6:23	5:42	6:26
6	5:38	6:28	5:33	6:33
11	5:30	6:33	5:24	6:39
16	5:22	6:38	5:15	6:46
21	5:15	6:44	5:07	6:52
26	5:08	6:49	4:58	6:58

APR.	Latitude +30°		Latitude +40°	
	Moonrise	Moonset	Moonrise	Moonset
1	5:45	5:56	5:49	5:55
3	6:59	8:12	6:50	8:24
5	8:23	10:30	8:02	10:55
7	10:07		9:38	12:06
9	12:07	1:36	11:39	2:06
11	2:10	3:10	1:51	3:31
13	4:06	4:22	3:58	4:31
15	5:55	5:22	5:59	5:22
17	7:43	6:23	7:58	6:10
19	9:32	7:29	9:57	7:07
21	11:20	8:51	11:50	8:21
23	12:11	10:31	12:41	10:01
25	1:44	12:26	2:08	12:03
27	3:03	2:29	3:17	2:18
29	4:51	4:40	4:16	4:43

To obtain local times of sunrise and sunset for longitudes other than the standard time meridians (i.e., 75°, 80°, 85°, 90°, and 120°) for Eastern, Central, Mountain, and Pacific Standard Time, decrease the time four minutes for each degree east of the standard meridian, or increase the time four minutes for each degree west of the standard meridian.

- 1—M.— ☽ New Moon, 11:37 P.M., E.S.T.
- 2—Tu.— 1792, U.S. Mint established
- 3—W.— 1913, U.S. government recognized Republic of China
- 4—Th.— If you need additional property insurance, get it now. Rates are at an all-time low!
- 5—Fr.— 1908, Arbitration treaty signed with Japan
- 6—Sa.— 1909, Robert Edwin Peary discovered North Pole
- 7—Su.— 1933, Beer and wine appealed legally in U.S.
- 8—M.— ☽ First Quarter, 3:04 P.M., E.S.T.
- 9—Tu.— 1865, Lee surrendered with his whole army
- 10—W.— 1841, New York Tribune first issued
- 11—Th.— 1831, Building and Loan made first loan
- 12—Fr.— 1908, Chelsea, Mass., destroyed by fire
- 13—Sa.— Avoid the penalties of shrunken coverage. Have your property insurance reviewed often.
- 14—Su.— 1865, President Lincoln shot by Booth
- 15—M.— 1924, Japs barred from admission to U.S.
- 16—Tu.— ☽ Full Moon, 5:47 A.M., E.S.T.
- 17—W.— 1933, Embargo against Japan and China
- 18—Th.— 1775, Start of Paul Revere's ride
- 19—Fr.— 1775, End of Paul Revere's ride
- 20—Sa.— 1863, West Virginia admitted to the Union
- 21—Su.— 1930, Fire killed 320 convicts in Ohio Pen.
- 22—M.— 1904, U.S. completed purchase of Panama Canal
- 23—Tu.— 1838, 1st vessel crossed Atlantic under steam
- 24—W.— ☽ Last Quarter, 10:18 A.M., E.S.T.
- 25—Th.— 1898, War declared against Spain
- 26—Fr.— 1865, Booth, Lincoln's assassin, shot
- 27—Sa.— Make a standing engagement with your Agent to review your property insurance regularly!
- 28—Su.— 1944, Chinese conceded the loss of Changchow
- 29—M.— 1863, Bombardment of Grand Gulf, Miss.
- 30—Tu.— 1911, Bangor, Maine fire—\$3,500,000 loss

OBSERVATION for April: The storms of war have been too recent for prices to have subsided to their proper levels. Check your property frequently against replacement costs.

MORAL for April: Your Agent or Broker will know whether or not your coverage is adequate; see him today!

PROPERTY INSURANCE
Fire-Automobile-Marine

FIRE ASSOCIATION GROUP

Fire Association of Philadelphia
The Reliance Insurance Company
PHILADELPHIA



Lumbermen's Insurance Company
Philadelphia National Insurance Company
PENNSYLVANIA
SYMBOL OF SECURITY SINCE 1811

the people after six years of strain and disaster. More than a million prospects have been screened and an average of 20 per cent—school teachers, 80 per cent; clergy, five per cent—banned. This is only the initial stage and railroads, post offices and commerce are still to be purged.

Reports of the purges are both sternly Hitleresque and comical. A world-famed pianist and Wilhelm Furtwängler, the famous symphony conductor, are not permitted to play in public because they went on concert tours during the Nazi regime. Hitler judged art on racial lines.

A high-ranking American purger gave a play-by-play description of hiring a newspaper reporter. The youth was investigated first for past Nazi connections. Each member of his family and his friends were then put under the microscope. This took several weeks. He then was called in and examined for three hours by a psychiatrist. As he still retained his mental balance, he qualified for a job on a German newspaper which already could not print an item that our military censorship had not approved.

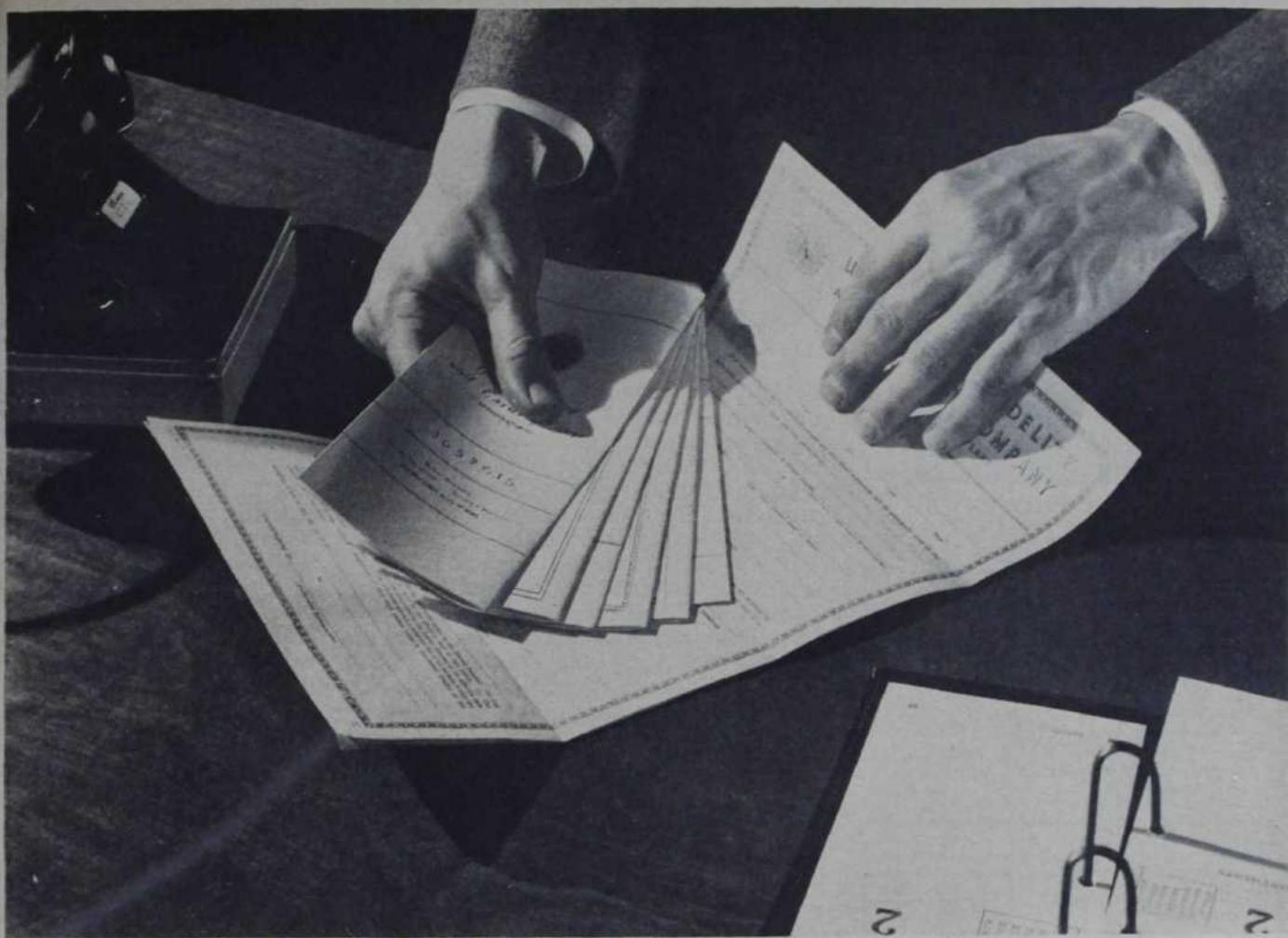
Germany today is the testing ground as to whether theories of world unity and democracy will work. Possibly results would be better if the dead hand of ineffective plans and agreements was lifted and the administrative officers in the Zone were permitted to use their own common sense. All we can do is hope that the experiment will succeed without loss of too many human guinea pigs and too much damage to our nation's reputation for efficiency and humanity.

Brooklyn Labor

TO HELP maintain good labor relations in the Borough, the Brooklyn Chamber of Commerce has set up a Bureau of Labor Relations which will serve as an information clearinghouse and research agency for the community.

Objective is to "develop, from a basis of economic facts, a soundly conceived standard of industrial relations for the area which will establish—as a suggested guide—limits within which individual employers can formulate their company policies with regard for the best interests of themselves, their employees and the public."

Research is under way to ascertain prevailing personnel policies and collective bargaining practices of the Borough's industries.



All in One Package!

NOW, instead of a patchwork of liability policies . . . some overlapping, some so widely separated as to leave dangerous loopholes . . . your company need carry only one. Under U.S.F. & G. Comprehensive Liability Insurance nearly all liability hazards are

covered by a single policy. No bother of numerous premium payments at different times, to increase bookkeeping and the possibility of error. One policy does all. Write us today for information about U.S.F. & G. Comprehensive Liability Insurance.

Consult your insurance agent or broker

as you would your doctor or lawyer



U. S. F. & G.

UNITED STATES FIDELITY & GUARANTY CO.

affiliate:

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HOME OFFICES: BALTIMORE, MD.

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143 E. REDWOOD STREET
BALTIMORE 3, MD.

Please send me further information about Comprehensive Liability Insurance.

Name _____

Company _____

Address _____

City _____ Zone _____ State _____



**W. H. ROYSTONE
INVESTMENT ANALYST**

Author of "America Tomorrow", sent complimentary to clients. Recent Reader says: "The most compact and far-seeing economic philosophy I have ever read."

W. H. Roystone, the well-known New York Investment Consultant, has stopped his newspaper comments that were published nationally and found so profitable to investors. He now writes only a weekly advisory bulletin.

Success during many years has proved his theories correct. He found that to buy with the good buying and sell with the good selling is about all one needs to know.

Roystone now has clients in cash waiting to buy a selected list he thinks the surest fortune-building bargains of this century.

These same weekly bulletins that cost you only five dollars for one each week during seven of these critical weeks, go to hundreds of clients from coast to coast, to those who pay one hundred dollars a year for trading help and to investors who pay a large annual fee for portfolio supervision.

Remember, keeping true to the main trend is the secret of success in Wall Street. When you send check (\$5.00 for seven weeks or \$25.00 for one year) be sure to ask for AMERICA TOMORROW and those famous 27 Safety Rules for Investors and Traders. Address: W. H. Roystone, Forest Hills 18, Long Island, N. Y. (Instituted 1931) New York consultation \$25.

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★ You can obtain volume items for future manufacture without the usual expense and difficulties by subscribing to our New Products Service. Many attractive products available. We submit only items that fit your facilities. If no deal is concluded there is no cost or obligation to you. Write or write for complete information.

**NEW PRODUCTS DIVISION
DESIGNERS for INDUSTRY, Inc.
2915 DETROIT AVE., DEPT. N., CLEVELAND 13, OHIO**

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Vitally needed by every business person. Helps you think up thousands of advertising and business-promotion ideas. Includes Chapter on Story-Writing ideas. Simply-explained... quickly-consulted—complete with actual examples. Just one of its ideas may be worth hundreds of dollars to you! Order your copy today, "How to Think up 5,000 Ideas," only.....



CLARK PRESS, 192 N. CLARK ST., CHICAGO 1, ILL.

Washington's Letter Industry

(Continued from page 49) permitting Washington letter writers to frighten them to death. Keeping business men uneasy was the stock and trade of these men, Lippmann said, in effect, whereas there was really nothing going on that should give them any concern.

Reasons for concern

THERE is no way of telling just whom he had reference to. But his remarks outraged at least one of the letter writers, neither Whaley-Eaton nor Kiplinger, who sat down and listed such items as the continued unbalanced budget, together with the proposed medical program to cost about \$3,000,000,000 annually, continued large appropriations for the Army and Navy, the FEPC and full employment measures, the Government's policy on wages and prices, foreign loans to run about \$20,000,000,000, and asked Lippmann whether he thought these were matters of concern to business men.

He got no answer.

The news letter writers also used to irk President Roosevelt. He took frequent cracks at them. The New Dealers never worked out a way of blanketing their front page. Unlike the daily press they didn't

print his speeches. Instead, they analyzed them. They got away from the honeyed phrases and told what the speeches actually meant.

In anticipating New Deal plans they upset some of them, and annoyed the New Dealers no end.

There is nothing to indicate that the commercial letters, as distinguished from the propaganda ones, are crepe hangers. In fact, in its Saturday before Christmas letter, Whaley-Eaton, giving its usual accounting of its stewardship, said the auguries for the future favored such a period of prosperity as the world has never known.

Told of Roosevelt's health

IT also reported that it felt as early as the summer of 1944, that the truth should be known about Roosevelt's health, that the public should know it was voting to elect a President when under the impression it was electing a vice president.

But the letter accepted the attitude of military leaders and others, although broadly hinting that the truth about Roosevelt's health was being concealed.

The news letters like the daily newspapers abided by the voluntary war censorship.

Telephone for Your Car

WITH the announcement that Urban Mobile Radiotelephone service may be established in 30 cities by the end of this year, the question arises as to how large a piece of apparatus must be installed in a car to use the extended phone service.

The only visible apparatus is a small six-pound control unit mounted under the instrument panel. This unit is slightly under six inches by four with a depth of 13 inches. The hand telephone, contained in this control unit when not in use, is similar to the latest type in regular telephone service except for a button in the center of the handle which must be pressed when the user is talking into the phone.

The transmitter and receiver each weigh 40 pounds and have over-all dimensions of 8 $\frac{1}{8}$ " height, 10 $\frac{1}{4}$ " width, and 18 $\frac{5}{16}$ " depth. These are mounted side by side

usually in a concealed position on the vehicle.

There is only one control—an "on-off" switch. Frequencies are pretuned and crystal controlled. Selective signalling is used by the central office so that a bell rings on the individual set being called and an indicator lamp lights as a signal if the operator is out of the car at the moment.

The radio equipment on the car will ordinarily be provided by the telephone company although the customer may provide it himself if he desires.

A heavy duty battery will be required, as the standby power drain is 60 watts.

The frequency range is 152-162 megacycles. Frequency modulation is used.

Other models may be made, even by other companies, but the particular set described above is the 238A of Western Electric.



THE TASK OF INSURANCE

THREE is little difference between the tasks and the opportunities of insurance. Keeping pace with progress is an old story to "the industry that protects other industries." Along with the bright promises of modern science, many new and unlooked-for hazards will doubtless develop, but science itself has been a potent tool used by property insurance underwriters and the various agencies of public safety.

It seems to me that the accomplishments of American idealism are very closely related to the accomplishments of American business. If that is so there is little to fear in the future if we maintain the same qualities to which our organization was dedicated ninety-three years ago. Any improvements in operating methods which may be required for the good of public service should be welcomed. Providing financial protection to meet the exact requirements of the insuring public must remain foremost in our endeavors.

People of the fire insurance business and of our own organization can look with pride upon the achievements of 1945, the Year of Victory. In common with every American citizen and every American business they were a part of the solid home front behind our victorious fighting men.

This report on the affairs of the company reflects the progress made in a year of national transition from war to peace.

President

Directors

LEWIS L. CLARKE <i>Banker</i>	GUY CARY <i>Lawyer</i>
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STATEMENT

December 31, 1945

ADMITTED ASSETS

Cash in Office, Banks and Trust Companies	\$ 21,252,662.44
United States Government Bonds	43,311,109.25
All Other Bonds and Stocks	93,759,025.46
First Mortgage Loans	180,533.95
Real Estate	3,464,339.81
Agents Balances, less than 90 days due	8,480,590.41
Reinsurance	
Recoverable on Paid Losses	1,567,724.71
Other Admitted Assets	187,624.54
Total Admitted Assets	\$172,203,601.57

LIABILITIES

Reserve for Unearned Premiums	\$ 62,085,749.00
Reserve for Losses	17,528,837.00
Reserve for Taxes	4,299,218.20
Liabilities under Contracts with War Ship Adm.	2,719,717.62
Reserve for Miscellaneous Accounts	435,448.41
Funds Held Under Reinsurance Treaties	67,772.03
Total Liabilities Except Capital	\$ 87,136,742.26
General Voluntary Reserve	\$10,066,859.31
Capital	15,000,000.00
Surplus	60,000,000.00
Surplus as Regards Policyholders	\$85,066,859.31
Total	\$172,203,601.57

Note: Bonds carried at \$4,414,678.58 amortized value and cash \$50,000.00 in the above statement are deposited as required by law. All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners. Surplus adjusted to reflect Canadian Assets and Liabilities on United States Dollar basis.

★ THE HOME ★ Insurance Company NEW YORK

FIRE • AUTOMOBILE • MARINE

THE HOME, THROUGH ITS AGENTS AND BROKERS, IS AMERICA'S LEADING INSURANCE
PROTECTOR OF AMERICAN HOMES AND THE HOMES OF AMERICAN INDUSTRY

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FINE FLAX AIR MAIL PAPER

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Let the distant-going correspondence of your corporation be specially suited to fly the airways economically. Let Ecusta air mail paper, made by a new process direct from linen flax fibre, also symbolize the importance of your "Via Air Mail" letters. Look for the Ecusta watermark.

Ecusta fine flax air mail and business paper is readily available through leading paper merchants from coast-to-coast. Call in your stationer, printer or engraver now and ask him to show you specimens of this high quality letter-head paper. Or write us and we will cheerfully mail samples of Ecusta paper to you.

*Fine Flax Writing • Fine Flax Air Mail
Bible Paper • Thin Paper Specialties*

ECUSTA PAPER CORPORATION

PISGAH FOREST • NORTH CAROLINA

Air Castles on Firm Foundations

(Continued from page 46)
gers. A thoughtful attendant, cleaning the cabin of a United Mainliner recently, picked up a raggedy doll. The lost-and-found department checked the passenger list and found the names of a mother and her small daughter. The company dug their address out of the records. The doll was mailed back, and the grateful little girl wrote a thank-you note that is the pride of the company's executives.

Flying Christmas presents

AN American Airlines official once pinch-hit for Santa Claus as part of his chores beyond the call of duty. A business man planed out of New York for Jackson, Mich., with a large bundle of Christmas presents. He was due home in time for a children's party. He changed planes at Detroit, using another line, and proceeded to Lansing where he discovered he had left his cargo at Detroit. He registered his loss at the airport where he was assured he could go home, 35 miles away, without worry.

The airline's machinery located the parcel at Detroit, where an employee sent it on to Lansing. The receiver there took it out in his own car and reached the man's home just in time for the Yuletide celebration.

Such out-of-the-way services are not uncommon among air lines. One flight crew of a large company cooperated to bring great happiness to an elderly woman recently. She confided to the stewardess that, 60 years before, she and her husband had homesteaded a claim in a little valley along the line of flight, and told the stewardess the name of the place.

The stewardess informed the pilot who located the spot on his map, found it was a few miles off his course, but flew over it anyway, swooped low and swung around in a broad loop. The happy old lady looked out of the window.

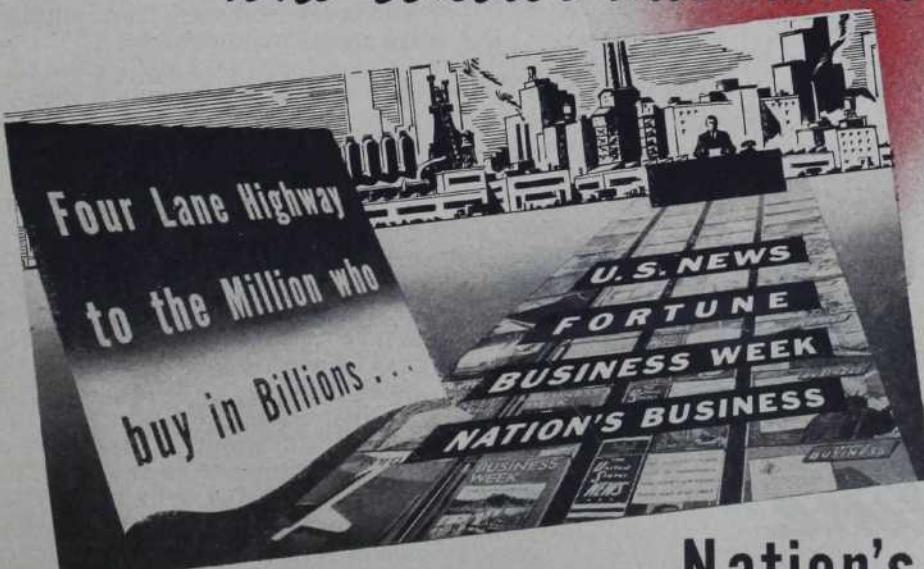
"Why, there it is," she cried, her eyes flooding, "and the cabin's still there."

It was against regulations, but the pilot was commended for his thoughtfulness. It's also been against rules to carry animals aboard passenger planes for some time. Nevertheless, Seeing Eye dogs are continually being flown with blind passengers. Recently a leg-



THE AMERICAN BUSINESS
MARKET IS THE LARGEST
IN THE WORLD

*You can sell the men
who control this market by using*

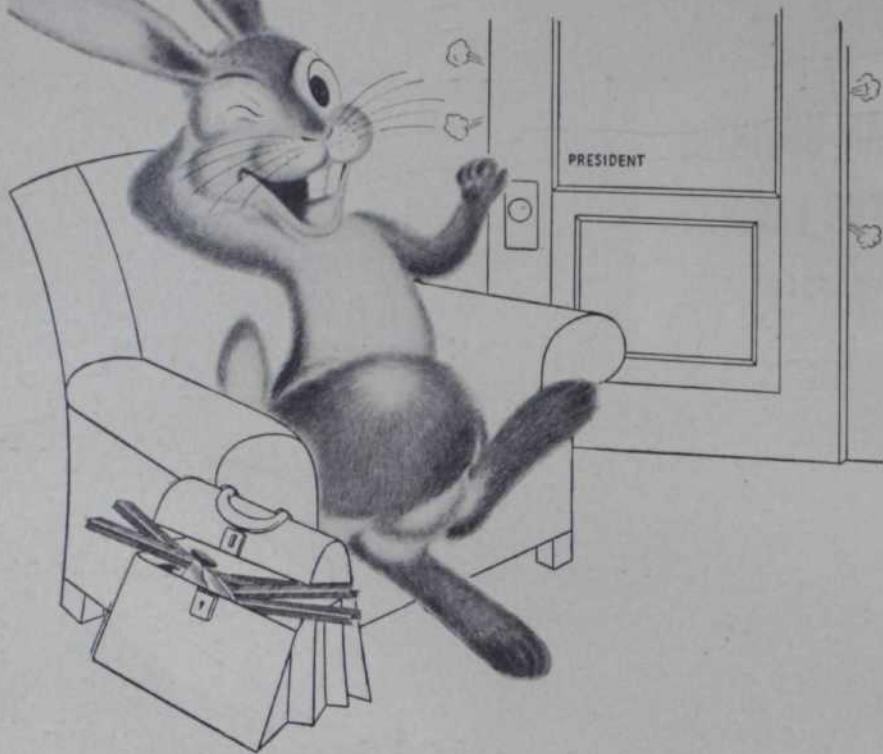


FORTUNE	188,918
BUSINESS WEEK	126,246
U. S. NEWS	204,927
NATION'S BUSINESS	456,640
Total	976,731

Nation's Business

WASHINGTON, D. C.

"The Boss was in a Stew!"



I'm callin' on the Boss, and he's boilin'! His clerks are laggin', his output saggin'.

"Don't blame your office-force," I sez. "What they need is some modern equipment. Like SPEED's Swingline Stapling Team! That No. 4 Stapler has the greatest single stapling-improvement in years—the wide-open loading channel. Flick-Load-Click—and it's ready! Fast, yet trouble-free and it penetrates at the lightest finger-touch!"

I warm up as the Boss shows interest.

"Those No. 4 Staples fit any standard machine," I go on, "and their superior qualities give you more for your money. They're precision-made, 100% uniform, and purposely round—not flat—to eliminate excess glue and prevent clogging. Take my advice, Boss—don't accept substitutes!"

"No substitutes for me!" enthuses the Boss. "I'm ordering that Swingline Stapling Team from my dealer today!"

SPEED PRODUCTS CO. INC.,
Long Island City 1 • New York

ALL SPEED PRODUCTS
SOLD THROUGH DEALERS ONLY

SPEED
Swingline Staples
fit any standard
stapling machine



Swingline
NO. 4 STAPLER AND STAPLES

WORLD'S SPEEDIEST STAPLING TEAM

less GI hugged his canine mascot as he boarded a plane for what must be a bleak homecoming. The flight crew looked the other way. Actually, someone in the operations office has to authorize such exceptions to the rules, but there is another proof that air lines have a warm heart.

Cost-reducing plans provide for eliminating meals aboard planes during the very short hauls such as the 90 minute Washington-New York run which will become 20 to 30 per cent quicker with faster new planes. Some lines are even considering charging for meals, particularly if the three-cents a mile rate becomes an actuality, because meals cost from \$1.07 to \$1.15 per passenger. No company, however, is likely to eliminate meals. A couple tried it a few years back and their business plummeted 40 per cent in 60 days.

Improved meal service

ALTHOUGH today's food is a far cry from the pioneering days when a couple of passengers perched on the mail sacks and munched an apple or a sandwich which the pilot handed back—or, for that matter, the fried chicken era when every airborne meal included that delicacy—it still leaves something to be desired. Despite care in preparation and vacuum containers, what's supposed to be hot is often lukewarm and what's supposed to be cold is often the same. Eastern thinks it has the answer to that—special induction heating units which will heat up frozen food in 90 seconds as against the half-hour currently required. Better plate materials and better trays which will prevent dishes from slipping are also being developed.

Other food ideas involve centralized galleys from which two or more stewardesses will operate, making possible a choice of entrees—something not offered today.

New radar and electronic equipment is also expected to improve flying and landing conditions and incidentally customer convenience, at the same time cutting the loss of goodwill and money that the lines now suffer because of cancelled flights.

Under today's conditions, the lines fulfill about 95 per cent of their schedules over the year, although in January and February the figure drops to 85 per cent. The cost of rerouting passengers forced to land in the wrong cities must be added to the loss of revenue.

Supplementing all these ideas is the constant stream of suggestions

9 Billion Dollars worth of *Peace of Mind*



for 3,150,000 Equitable Policyholders
and Their Families



IF ALL MEMBERS of the Equitable family of policyholders were to call a single place home, "Equitable Town" would be about the same size as Boston, St. Louis, Pittsburgh and San Francisco combined!

It might look more like a fabulous Hollywood movie lot than an ordinary city, with Texas ranchers living next door to Connecticut school teachers, Iowa corn growers and Cape Cod fishermen. Doctors from Chicago and mechanics from Detroit would be neighbors to Georgia cotton growers and Oregon foresters.

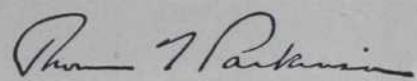
The families of "Equitable Town" have joined in a great co-operative enterprise of family security. There are now 3,150,000 members of this great family. In the past year they increased the life insurance they own to \$9,172,440,000. Their membership in The Equitable means peace of mind and the assurance of funds to carry out cherished plans.

Last year these families received checks for an aggregate of \$238,064,000—an average of \$27,716 every hour throughout the year. These benefit dollars helped keep families together, assured children of college education, paid off mortgages, provided retirement income and served many other human needs.

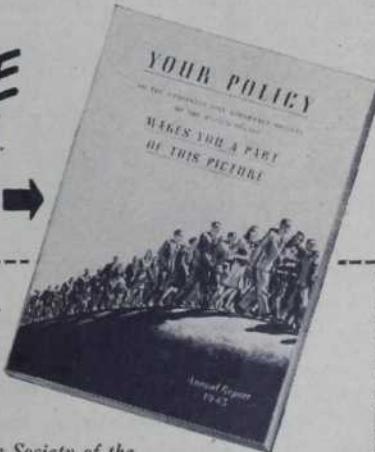
The Equitable Life Assurance Society of the United States is a mutual company incorporated under the laws of New York State.

Assets guaranteeing this flow of benefits reached a new high of \$3,849,438,000, an increase of \$341,455,000 for the year. Beyond their primary purpose of assuring the payment of policy benefits, these funds are furnishing capital for business and industry in every state of the union. They are helping to finance millions of productive jobs. They are aiding farmers and home owners.

Truly, life insurance funds mean more factories, more work, more homes, and richer living for all America.


R. W. Parkman
PRESIDENT

*SEND FOR
THIS FREE
BOOKLET!* →

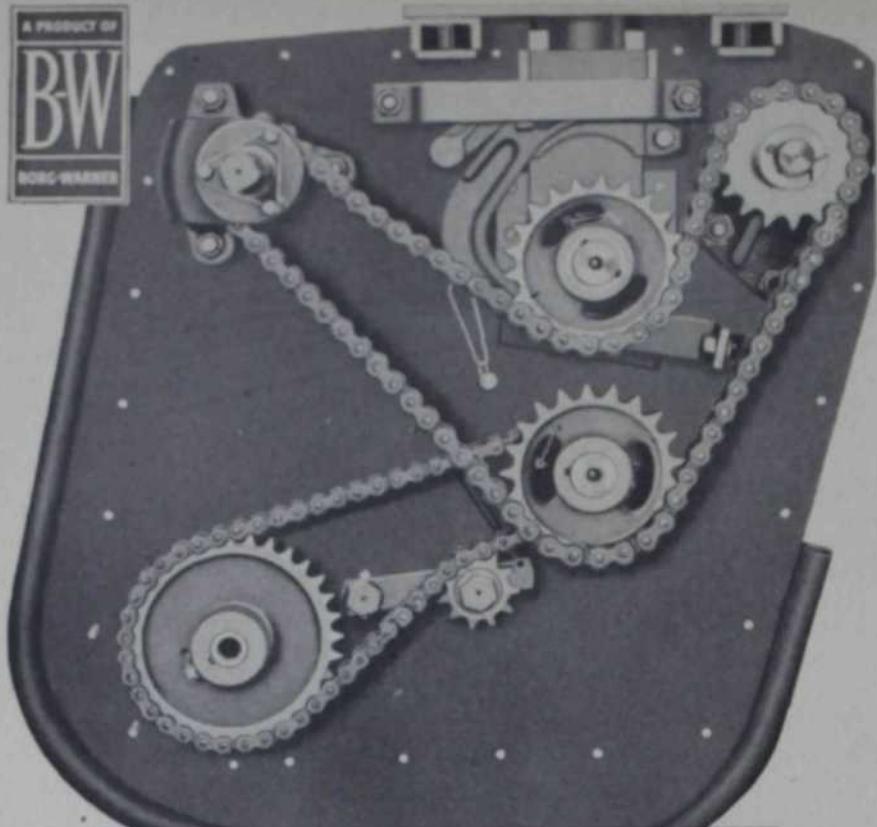


13 Questions to ask yourself to make sure you are getting the most out of your life insurance.
Send today for a copy of "Your Policy" to
Equitable Life Assurance Society of the
United States, 393 Seventh Avenue, New York 1, N. Y.

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Modern Machines Deserve Morse Drives...



Modern design makes it possible to "make hay in a day" with John Bean Mfg. Company's "Haymaker." Morse Nos. 50 and 60 Roller Chain in the drive assembly, using teeth not tension, means positive, efficient, trouble-free operation. MORSE CHAIN COMPANY, ITHACA, N. Y., DETROIT 8, MICH.

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SPROCKETS • FLEXIBLE COUPLINGS • CLUTCHES

for better service or operation that come in from airline employees virtually all of whom are voluntary salesmen or ambassadors of good will. It's not surprising to overhear a stewardess discussing at length, as I did, the details of all the new planes her company is buying, including their names, sizes and number of passengers carried. Nor is it unusual to have a limousine driver who is privately employed proudly point to the terrific airport expansion going on at Calumet Field, Chicago, as evidence of the progress of his favorite business!

Employees work for progress

TO encourage employee participation in airline improvements, companies have extensive suggestion systems. They award bonuses for adopted suggestions, depending on their value to the company. One A.A.L. office-worker got \$100 for dreaming up the slogan "Compare the Fare, Go by Air," on which the company spent \$54,000 for advertising.

The largest bonus A.A.L. ever paid was \$875 to a mechanic who accidentally discovered a way of separating frozen ball-and-socket joints costing \$29 each. They had been scrapping 20 out of 28 of these hard-to-get items, until he accidentally dropped one into a bucket of boiling water. The parts separated, and he recommended that this method be used. To date the company has saved \$8,750 in materials and labor on that one improvement.

Enough such savings, most airmen believe, will more than cover the costs of new frills and services in addition to those that are already here—magazines, playing cards, lap robes, individually-controlled ventilators, ash trays, reclining chairs and electric razors. Sleepers, which have been out since the beginning of the war, will be restored on flights which are long enough to justify them, though a 54 passenger plane accommodates only 24 sleepers—a costly difference in pay load.

If one cost-conscious air line determined to go to low rates and fewer services, the others might have to follow suit reluctantly. Or they might not. Railroads run many different kinds of passenger trains. It is possible that air lines might offer two classes of service, one with slow speed and few comforts, the other a first class service with high-speed ships offering all the already accepted niceties—and many more.

Reading for Pleasure or Profit...

"Washington Tapestry"

By Olive Ewing Clapper

AFTER Raymond Clapper was killed in an airplane crash in 1944, his wife read through his notebooks. The beloved correspondent had known five presidents, been intimate with two, and left behind his private record of whatever Washington news was too hot to publish at the time. From his notes Mrs. Clapper has compiled "Washington Tapestry" (Whittlesey House, 330 W. 42nd Street, New York; \$2.75), which reads at a good 60 miles an hour. The Capital's famous men, its great and its notorious, parade through these pages, giving off-the-record opinions and revealing their private lives.

Mrs. Clapper includes gossip. Frances Perkins, she says, reads Greek for recreation. Coolidge had the sadistic habit, while aides baited his fishhooks, of suddenly jerking the line. Harding, despite what some have said, seldom drank.

Governor Dewey, whom Clapper once described as "swelling rather than growing," is harsh with his children and has, Mrs. Clapper says, an incredibly short temper.

Attending every Washington function, from Sunday suppers at the White House to gauche little socials given by South Americans who served cocktails at 10 a.m., Mrs. Clapper had golden opportunities to assess great names. She adds her own opinion to her husband's, and their well informed judgments on men in power are often unorthodox. Harry Hopkins and Donald Nelson, Bernard Baruch and John L. ("Scowling is my business") Lewis—on these and many more, "Washington Tapestry" supports the Clapper view with an inside revelation.

All the characters in this well populated volume appear against a background of large issues: the Little Pigs, the Packing of the Court and others which remain equally controversial.

Into her small garrulous book Mrs. Clapper has packed much food for thought and several hours' amusement.

"Human Leadership in Industry"

By Sam A. Lewisohn

ALVIN DODD, president of the American Management Association, has endorsed this book; so have executives of various corporations, who ought to know. Sam A. Lewisohn's "Human Leadership in Industry" (Harper, 49 E. 33rd St., New York, \$2) is a volume of advice on employee relations.

Mr. Lewisohn thinks, first of all, that there has been too much talk about economics. Quarrels between labor and management, he says, are like quarrels

anywhere. In industry, just as in the school system or the civil service, there are—inevitably—greed, resentment, rivalry and the lust for power. Nothing peculiar to the capitalist system can occasion these. So, to solve labor problems, we must consult human nature rather than economic change.

When workers first began to agitate, Mr. Lewisohn says, back in the 19th century, it was not so much because of real injustice as of "the impatience with authority innate in human beings." Of course there were, he adds, those arbitrary theorists who invented the idea of class conflict. They discussed it so loud and long that the classes themselves actually began to behave as if there were such a thing. But Mr. Lewisohn dismisses this as illusion, and prefers psychology to economics. Industrial strife, for him, is like conflict in the home, with the employer in the position of the father.

Keeping him there, this author advises against any great participation of labor in management. He lists the evils which have grown from such experiments. Some men, in his opinion, naturally lead, and some naturally follow. They should not be confused.

Labor, nonetheless, must be kept happy, and Mr. Lewisohn, as a psychologist, prescribes certain ways. Employers (particularly that growing number whose background is purely technical) should organize courses in human relations, studying such subjects as "How to Encourage Employees" and "How to Handle a Grievance." They will find that the workingman has four psychological needs, which, if not satisfied, will cause strikes: Justice, Status, Opportunity and Security. The need for status is especially important, and here we find one real contribution of unionism—it gives the worker a sense of being "somebody" in industry. He wants to "belong."

"The Anatomy of Peace"

By Emery Reves

NATIONAL boundaries spelled the doom of *laissez faire* capitalism, once the world's hope. Tariff barriers have killed markets. The state, with its international rivalries, destroys free enterprise to prepare for war.

Boundaries which divide the world were, again, the ruin of socialism in Russia. There, slogans of economic advance gave way to slogans of militant patriotism. The idealistic People's State, threatened in the unceasing strife of sovereign nations, arming in self-defense, became at last only another great, repressive nationalistic power.

Nationalism divides the world. Indus-

trialism unites it. The two could survive together in their beginnings. But now, when the globe is economically one and politically many, their final conflict threatens us all with death. Its result, in capitalist and socialist countries alike, will be inevitable fascism: state control for war.

These are the arguments of Emery Reves' "The Anatomy of Peace" (Harper, 49 E. 33rd Street, New York, \$2), an eloquent plea for world government. The book raises questions which it is now folly to ignore.

What are we giving up, Reves asks, when we "surrender" national sovereignty? Freedom? In one world, nations no longer make their important decisions independently. Were we free in declaring a state of war, after Pearl Harbor? Were we free when, because of that state of war (decided in Tokyo), we established the OPA? Peoples, too, no less than governments, have lost their freedom under the system of separate states. For vital issues are now worldwide. No government decides them. And without government there can be no democracy, no freedom. What free electorate, for example, decides the result in the conflict of two foreign policies? Or the chaotic conflict of the foreign policies of all the world?

Reves sees no hope in UNO. It does not approach world government. Instead, it exalts international anarchy, by supporting the "self-determination" of peoples, the maximum independence for nations little and large. In Reves' opinion, UNO is at best a familiar bargaining device for separate powers. No law unites it. But, hypocritically, it imposes "law" on little states (who cannot offend by themselves in any case), "law" which the big ones, with their veto power, need never obey.

You may not agree with this writer about UNO. Yet his central point cannot be questioned: the eventual necessity of world government. Written with the intense simplicity of a minor prophet, "The Anatomy of Peace" will, at the least, shock its readers out of old habits of thought, bring home to them how national boundaries—which, under our noses, we overlook—contribute to the evils of the day.

"Death in the Limelight"

By A. E. Martin

MYSTERY stories, like lightning, never strike twice in the same place. To prevent it, writers seek out the most improbable situations. Now up pops A. E. Martin with as bizarre, yet as plausible, a puzzler as the season offers.

His "Death in the Limelight" (Simon and Schuster, 1230 6th Ave., New York, \$2) whisk us off to Australia, where the kookaburra and the zacacanda are native to Wooloomooloo and Parramatta, and the characters no less weird. They—the phony magicians and untalented hoofers, the half-baked hypnotists and divas on the downgrade—tangle with one another in Sydney's third-rate vaudeville houses. Among them, death moves in ingenious and unlikely ways.

Well plotted, well motivated, offering you something new in suspense and multiple murder.—BART BARBER.

Aside Lines



By CHARLES W. LAWRENCE

THE BIG LEAGUE teams are trekking northward hoping for only moderately good opening weather. After all—April showers bring May doubleheaders.

* * *

DEPARTMENT of Agriculture officials are worried over the nation's big raisin surplus. They don't want to face any dried grapes of wrath problems.

* * *

CLARA the Clerk says most of the golfers she knows are in the sportswear department.

* * *

MILWAUKEE is hopeful of replacing New York as the nation's leading fur center. Possibly because LaGuardia is no longer making it fly.

* * *

RADIO manufacturers assure us our new sets will have marvelous improvements. Yet to be promised, however, is a set which will make it possible for us to stand soap opera.

* * *

THE State Department advises its people going to Europe to take along a year's supply of food. A good diplomat should never have to eat his own words.

* * *

THE Czech government has taken over the world's largest shoe manufacturer. There is a feeling in the industry that this is not so much for Bata as for worse.

* * *

A WHITE HOUSE promise to cut government expenses has met with some skepticism. Most of us find it difficult to believe that a government spender will ever be convinced that he can make shaving a pleasure.

* * *

THE British are beginning to revolt against their diet of powdered eggs. The average Englishman yearns for the day when he will

THIS LOW-COST WAY OF BORROWING

**helps many companies
make more profit**

"...we are thoroughly sold on this form of financing."

"The cost of your service is very nominal."

"...made it possible for us to increase our volume."

A new era of progress and profit for many companies has dated from the adoption of our Commercial Financing Plan. As a result, gratified users of this plan write many letters . . . from a few of which we show excerpts above. Another letter says:

"Today starts the fifth year of our most pleasant business relationship . . . With the help of your service we have made tremendous increases in our volume and profits, at a cost which always seemed out of proportion with the great service rendered."

Our plan helps you make more money by giving you more money to work with . . . at a low cost that

will help you make a profit under OPA ceilings. It gives you more time and a clearer mind to put against making profits . . . by freeing you from worries about renewals, calls and periodic clean-ups of your loans. And it involves no interference with your management . . . no restrictions on your operations.

These are just a few of many reasons why manufacturers and wholesalers have found it good business to change to our plan . . . and why they have used it to a total of more than One Billion Dollars in the past five years.

No matter how you finance your business now, the low cost of Commercial Credit money invites investigation and comparison. Let us send you our booklet "A Comparison of Money Costs" containing actual case studies of our Commercial Financing Plan vs. Time Loans. Naturally there is no obligation. Just write or telephone the nearest Commercial Credit Company office listed below.

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Our service is highly flexible. It can provide financing to help you buy a business, buy out partners or estate interests, or pay inheritance taxes where a business is involved. Details furnished on request.

COMMERCIAL FINANCING DIVISIONS:

Baltimore, New York, Chicago, Los Angeles, San Francisco, Portland, Ore.



FINANCING OFFICES IN ALL PRINCIPAL CITIES OF THE UNITED STATES AND CANADA

have to explain to a war-bred youngster: "That's a yolk, son."

* * *

THE Internal Revenue Bureau has struck pay dirt in its examination of incomes of winter visitors to Miami. A number of northerners, it seems, were trying to escape more than the weather.

* * *

EARL BROWDER, former head of the U. S. Communists, has decided to become a business man. The fellow evidently cannot be happy unless he is in hot water.

* * *

NUMEROUS peacetime uses are expected to be found for the submarine finder with which our Navy broke up the wolf packs. As yet, however, the device has not been made available to families with teen-age daughters.

* * *

A STIFF trade war is going on between French and American perfume manufacturers. Among the issues to be decided is which language has the most suggestive vocabulary.

* * *

A HOLLYWOOD fashion writer predicts that the evening gown of the near future will have a transparent bodice. We have a feeling that the gal who wears one will bodice no good.

* * *

THE U. S. Supreme Court decision in the New York State mineral water case raises a question as to the tax status of all publicly owned business enterprises. It is possible they will have to start operating as business enterprises.

* * *

THE movies are hoping to play an increasingly important role in American education, and perhaps we should let them take over the whole movement. They have already demonstrated a remarkable talent for rewriting history.

* * *

THE Government advises that more than 4,000,000 bricks will be needed for construction this year. That, of course, is in addition to the supply needed for the coming congressional campaign.

* * *

THE continued shortage of women's stockings is not very distressing to the male contingent, it having never become wholly convinced that bare legs are bad form.



An institution is the lengthening shadow of one man.

RALPH WALDO EMERSON

He Wouldn't Say That Now

In 1841, when Emerson wrote his essay on Self-Reliance, he could find much evidence in New England, in the colleges, the factories, the clubs, that an institution was the lengthening shadow of one man.

Now we find "it ain't necessarily so." Sometimes it's true, as in Ford Motors and Chrysler Corporation. But just as often it isn't true, as in General Motors, General Electric, and the United States of America.

Many men working together—some leading, some following—now build great institutions, and little institutions, too, which contribute greatly to individual lives and satisfactions.

A Chamber of Commerce almost never becomes effective through the efforts of only one man. But with the efforts of many men in the community, it almost never fails to accomplish great things.

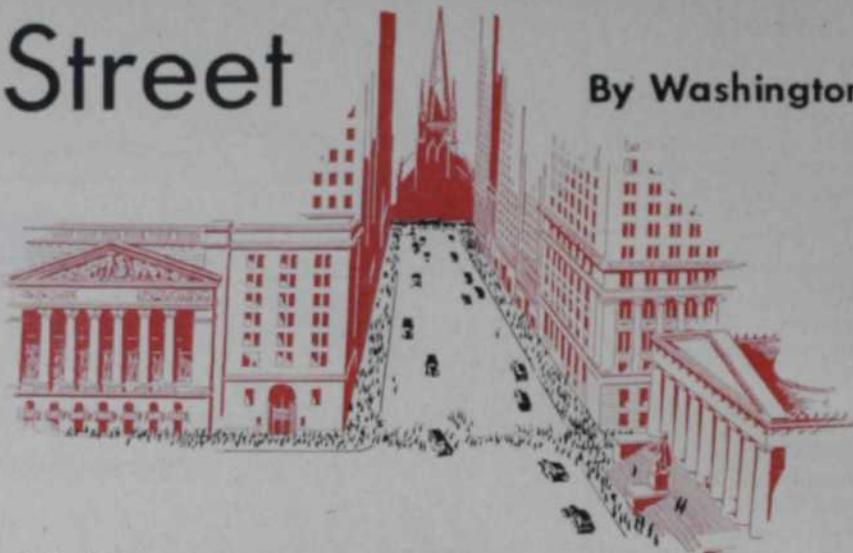
►► NO matter how good your Chamber manager is, he can't do his most effective work without your help. Ask him what you can do. Then if you want to dig deeper into the possibilities of Chamber work, read "Local Chambers, Their Origin and Purpose." Send for a copy. It's free.

**Chamber of Commerce of the
United States of America
WASHINGTON • DC**



Our Street

By Washington Dodge



Hits the spot

A WRITER FOR Stroud & Co., Philadelphia, recently commented that if securities could be retailed over the radio he would suggest:

*New York Central hits the spot
Four tracks to Buffalo, that's a lot
Kalamazoo and Chicago too!
Central reefers are the bonds
for you. . . .*

* * * * *

Child

A CLIENT of mine who bought some Childs bonds says the rural telegraph operator scowled upon handing him this message: "CHILD EXECUTED YESTERDAY REMIT FUNDS BY NOON TOMORROW."

* * * * *

Men at Work

REPORT has it that recent high-flying markets have brought back to brokers' offices many venerables who have not bought a share of stock since 1929. As indicated in previous columns, perhaps the most notable change on Our Street in recent years has been the improved caliber of statistical information and its freer exchange, exemplified in the New York Society of Security Analysts. Having observed that fact, the 1946 Rip Van Winkle would probably next notice the change that has come over the customers' man.

First of all, technically speaking, there is no longer such a person as a customers' man. So low in the esteem of the populace had the status of customers' men fallen by the early '30's that the New York Stock Exchange attempted to come to the rescue with a semantic weapon: Goodbye customers' men,

Hello "Registered Representatives."

More important to the renewed respectability of customers' men than this change of title were:

1. Institution by the Exchange of rigid examinations which an applicant must pass before being qualified to solicit orders and/or give opinions to customers.

2. The formation by registered representatives of an association. The latter is our topic for today.

The title "Registered Representative" has never taken hold and after balloting and research, the new group called itself The Association of Customers' Brokers. It was officially launched March 6, 1939, with 1,200 brokers attending the organization meeting and Stock Exchange President William Mc. ("The Happy Warrior") Martin on hand to give it blessing.

One of the Association's first acts was to draw up a code of ethics. Although all of the principles involved are obviously the ones an ethical man would follow, I'm reprinting some of them with the thought that it was violation of just such principles which led to the bad reputation of customers' men in the past:

"1. The client's interest shall always be the first consideration of a member of our Association.

"2. Opinions or advice given by a member shall be supported by adequate knowledge and information. In making a suggestion, a member shall present to a client as many as possible of the relevant facts whether they be favorable or unfavorable. In cases where a member deems it beneficial to a client to transmit unverified information

he shall disclose the source and the fact that it is unverified.

"3. Willful and knowing dissemination by a member of false and misleading information, aside from the legal consequences, shall be considered unethical. The giving of incorrect quotations or reports on the condition of the market comes within the same category.

"4. Encouraging financial transactions not commensurate with a client's resources, or suggesting highly speculative ventures without explaining the extent and nature of the risk involved shall be considered unethical.

"5. Information concerning a client's transactions and his account shall be confidential. . . .

"6. Methods of soliciting business used by our members shall be dignified. . . .

"7. The services or policies of a competitor shall not be criticized . . . unless . . . requested."

Other activities of the Association include an educational program with discussions about securities values, a house organ for members, and the presentation of the Association's opinion on matters affecting the welfare of its members, such as margin rules, commission rates, etc. Thomas B. Meek (Francis I. du Pont & Co.), one of the Association's founders and active in its affairs, says, "I sincerely believe that, as a result of the Association's work, the customers' broker has gone a long way toward professional standing in the eyes of the public and the financial community."

Before dropping the subject of customers' brokers, two points



"This is one place where everybody has a future!"

"I like to work here. It's one place where everybody has a future."

"A fellow like me who's been through the mill can look forward to retirement because of our pension plan. That's an important part of my future."

"And through the retirement of older men like myself, younger men like you can look forward to regular advancement. So the retirement plan provides you with a future. The way I look at it the company will have a better future, too, because we work with our minds reasonably free of the usual worries about tomorrow."

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should be made. One is that, although the registered representative cannot be hired on a straight commission basis, commissions do in the long run determine his salary. Depending upon the type of business he does, and the firm for which he works, he'll receive about 30-40 per cent of his gross commissions. Some additional compensation may be based upon statistical work, handling partners' account, office work, etc. This system has a drawback in the ever-present temptation to "overtrade." No customers' broker abiding by the principles of the Association would do that, nor would any diligent firm permit it.

The final point is that the calling of customers' broker is a perfectly respectable one, and any attempt to differentiate between a partner and a customers' broker may be completely erroneous. Many customers' brokers today know more about security values than do many partners. Many customers' brokers could be partners but prefer to avoid the added responsibilities and hazards and to retain their individual independence.

As chief liaison between Our Street and the investing public, the customers' brokers have an important function. Their failure to meet this responsibility in the 1920's was one of the factors contributing to the disgrace of Wall Street. I believe that the spontaneous formation of the Association, its rigid ethics, and its cooperation with other bodies indicate that, no matter what happens to the present market, the Exchange's reputation will not again suffer.

★ ★ ★ ★

The Good Customer

LAST MONTH we discussed, and I trust fully as caustically as the situation warrants, those types of clients which help create the high blood pressures all too prevalent along Our Street. To new readers, let it suffice to say that these Bad Customers have two attributes in common:

1. Their relationship with their broker is more that of Master and Hireling than of Consultor and Consultant.

2. They apparently treat their hirelings with something less than what Lord Chesterfield would have considered minimum courtesy. This gives a broad hint as to what constitutes a Good Customer.

Before entering further into the rather delicate subject, let me state

that these remarks are no more a "defense of brokers" than they are a "criticism of customers." I am writing this solely because I believe that the intangible factor of relationship between a man and his broker has a definite bearing upon the success of an account.

Some years ago I wrote an article for the *Exchange Magazine* on this subject and headed it: "The Ideal Customer-Broker Relationship." The editor blue-penciled this title and substituted "A Capable Partnership," which phrase is the essence of what I have in mind. Presuming you have had the sagacity to pick a broker whose ethics are those just given, the first thing to realize is that the broker is not a salesman. He may have done some fancy "selling" before he landed your account, but from then on he and you have one common objective: to increase and/or preserve your funds.

Because your account is a partnership enterprise, financial reticence must be cast aside. The ethics of the profession make a broker keep confidential all he is told, and, unless he knows all the financial facts about a client, he cannot give intelligent counsel.

After that initial hurdle, the Good Customer can more easily roll along the highway to riches by following these rules:

1. When things work out badly, do not discuss it until you have deliberated just how much of the responsibility was your own, how much was your broker's, and how much due to unforeseeables.

2. When they work out well, give the broker his full credit. It is the only "share of the profit" he can ever have.

3. Show your appreciation by sometimes trying to get him business from friends or financial institutions where you are known.

4. Don't complain over what seems a poor execution, unless you feel there was a definite error. If your broker has paid the high price for the day he feels just as badly as you do. If his counsel is good you could afford to pay the high price of the day every day.

5. When you call your broker for information, perhaps you can reciprocate with some information about your own industry.

6. Don't tell of the big profits friends are making at Doe & Co.—those profits are just as likely to be overstated as some people's stories of the low rent they pay. If you're really upset—move your account.

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About Our Authors

Charles F. Kettering: one of the country's outstanding inventors and engineers, is a vice president and directing head of General Motors Research Laboratories. A member of countless professional societies and the winner of many awards for his contributions to engineering, Mr. Kettering is chairman of the Department of Commerce's National Inventors Council and of the National Patents Planning Commission. He is well known for his talks on science and industry as intermission commentator on the General Motors radio program.

C. Lester Walker: who has been at one time a magazine editor, public relations and advertising man, accountant, business executive and English teacher at the College of Yale in China's Hunan Province, returned from China last November after six months as a war correspondent for Harper's Magazine. At present he is writing a book on his experiences there. Mr. Walker wants to do two things before he reaches age 70: live another year in Peking, China; and write a book-length biography that's a best seller.

Keith Monroe: who has been in charge of public relations for the Ryan Aeronautical Corp., is the author of many articles appearing in nationally known magazines.

Jay Cassino: started his writing career as a penny-a-liner on the New York Times in 1912. After working as correspondent and reporter for several papers, including a tour of duty as a war correspondent in World War I, he became financial editor of the New York Post for a few years. Incidentally, he claims to be the only financial editor in New York who insisted in 1929 that a depression was on the way. After Pearl Harbor, he went to the War Department as an expert on Italian affairs. Later, he did public relations work as chief of Plans and Special Projects for the Army Service Forces. At present he divides his time between writing and raising fruit in his Virginia orchards.

Harold S. Kahn: does free lance writing when he's not busy at the University of Minnesota where he is a member of the faculty. The author of a great many magazine articles and several books—mostly on the subject of general business, his works have appeared in *The Saturday Evening Post*, *Coronet*, *Popular Science* and a host of others. Mr. Kahn, who is a member of the Author's League of America, reports that his latest book, "A Small Business of Your Own," seems to be going over like a house afire.



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On the Lighter Side of the Capital



Sharp shock to a Senator

THE Senator said he had sustained a very distressing blow. As a result, he said, instead of looking upon his fellow Senators as leaders of men, bright in shining armor, worthy of high respect, they suggested to him the queer things you see through the glass sides of a tank in an aquarium. A little distorted, mottled, and breathing uneasily. This detracted from the great pride he had felt in his membership in what he had regarded as an august body.

"Not all of them, of course. Some of them are fine—I think."

The occasion for this almost melodramatic shift was a cloakroom conversation or conversations after the Fair Employment Practices bill was shelved. He regarded this bill, he said, with horror. He thought that, if it had become law, it would have been a positive danger to our body politic. It would have opened the gate to tyranny, bureaucratic abuse of the citizen, and redoubled racial hostility. He said more, but that gives you the idea. Half a dozen of his fellow Senators were even more bitter against the bill—in the cloakroom.

"But you all supported it," he cried.

"Oh—well," they shrugged. "Politics, you know. They put the heat on us...."

An effort to remind him that even Senators are human seemed ill timed.

A note on the big Russian

THOSE who are worried about the old-fashioned way in which the Russians are going at world politics will be interested

in Winston Churchill's informal appraisal of Premier Stalin. During that brief period in which the Big Three were friendly as folks at a basket picnic, a visiting American asked Churchill what he really thought of Stalin:

"I like him very much when I am with him," said Churchill. "We get along fine. He seems genuinely friendly."

But—Mr. Churchill added—"just now you have three million or more men on the Continent. There are close to a million British. When you have demobilized most of your Army, and we have withdrawn most of ours, and Russia still has a great army, things will be different. Friendship rests on army corps."

"Beedle" stood the test

THE STORY goes that at the height of the European fighting General "Ike" and

Churchill found themselves in complete disagreement. "Winnie" had a high opinion of himself as a military strategist and urged a certain course of action on Eisenhower. On this occasion, at least, all the British brass was in support of the Churchill plan. But Eisenhower was the Supreme Commander, he had his over-all plan, and the modification favored by Churchill would have skewed it completely. The two men argued it out for hours. The next day Eisenhower sent Gen. Bedell-Smith in his place.

"I'm going up the line," said General "Ike." "Your job is to tell Winnie that we won't, and make him like it."

When Churchill is in full power he may be by turn vituperative, eloquent, or even tearful. For one full day he turned all he had on Bedell-Smith. In the end he gave way fully, generously, and in good humor. The point of this ancient story is that Bedell-Smith goes to Russia as ambassador, which is today's toughest job in diplomacy. General "Ike" is believed to have urged the appointment on Truman, on the ground that he is the toughest man we have.

About the British loan

NO MEMBER keeps his thumb more persistently on the Senate pulse than the Old Senator. He isn't always right; sometimes the Senate balks at its own plans; but generally he can call the turn.

"I think the British loan will go through," he said, "by a narrow margin. But it will be a tight squeak."

The situation is being colored now by the fears—expressed even by some Britons—that the Empire will be liquidated. The cloakroom argument is that Americans should take a realistic view of the situation, just as the British themselves are doing. Americans, he thought, would not favor giving money to hold India in the Empire. We might be willing to be neutral, but no more. Yet, if India gets her independence, then the Empire which will presumably borrow the money will have ceased to exist. The commonwealths would not be a part of it.

Tale of a retarded young man

THE RETIRED business man said he had always liked George Allen, who has just been giggled by the Senate into the R.F.C. The amount of good, constructive politics Mr. Allen could operate in the R.F.C. is practically limitless, what with loans reaching in almost every direction. In contemplation of this fact Postmaster General Hannegan has lost much of the boyish verve

with which he came to town. He is reported to be moving sidewise along all political walls, this method of progression affording the maximum of protection. The extraordinary feature of the situation is that, until lately, Allen was regarded as a clown. A kind of privileged jester who lightened the heavy hours of his betters. The popular feeling is that, if a man can laugh, he cannot be portentous.

He couldn't make good

THE RETIRED business man said he gave Allen his first big-time job.

"\$3,500 a year and unlimited opportunities."



But it didn't work out. He kept transferring the big shot of the future from one department to another and each department head in turn came to him and said in effect:

"I'm sorry, Boss. I know you like that Allen guy but I can't get anything out of him. Aw, he's a nice guy and all that but he's nix."

So in time Allen got the air.

Brighter side of war

THE *Rainbow Reveille*, published in Washington for the members of the famous old fighting division, reported in effect that Battalion A, 149th F.A., put on a celebration after the affair at Remagen.

"The Battalion collected \$400 for liquors and made the punch in a bathtub. Trouble was that there was no leisure in the affair—no enjoyable dawdling and batting the breeze. The boys had to hurry to drink up the punch before the enamel was eaten off the bathtub."

A Baruch first edition

SOME YEARS ago Bernard W. Baruch gave testimony before a Senate committee. Nothing sensational about it. He just laid the facts before the committee in his rather flat, uninflected voice—he's hard of hearing—and told them what he thought and by and by went home. The report of the committee was printed and bound in paper as is the habit.



Now the copies are worth \$25—and just try to get one.

It is doubtful if he has ever been a welcome visitor at the White House. President Wilson frankly regarded him as a hair shirt, but Wilson's conscience compelled him to listen. Harding dodged him, Coolidge was silent, and Hoover saw him infrequently. The late President Roosevelt talked most callers down. Baruch was able to throw up his deafness as a shield against the Roosevelt volatility and, for a time, was of value in shaping the Presidential policies. In the latter months of Roosevelt's life, however, his increasing irritability was a barrier. During the present flush of

labor troubles he has been in constant touch with Snyder and Bowles and, through them, with the President.

"It isn't easy to quarrel with Baruch," said one of the side-liners at these conferences. "He is so damned right."

And that reminds me—

ONE of the business men who has been sitting in at some of the numerous conferences of Administration heads during the trouble months said:

"These fellows are nice men. Anxious, sincere, worried men. So far as I've seen they are unselfish.

"But they are incredibly ignorant.

"They have had to learn from the bottom the things that any little corner grocer knows as a part of his business. Half the confusion and delay has been due to the fact that these men simply do not know what's going on."

That reminds me again

ONE of the oldtimers in the State Department met a friend:

"What's going on in State?" asked the friend cheerily. He should have remembered that something is always going on in State, that it never pleases anyone, and that tomorrow is always worse than today:

"No one on top in the Department," the oldtimer replied gloomily. "No one on the bottom. Nothing in between."

A lovely lady of middle-age—

SAT in one corner of the \$400 tufted davenport in the assembly room of a pair of ear, nose and throat specialists on Connecticut Avenue. In the other corner was a large, gloomy man. The lady showed a good deal of leg—first rate—sparkled quite a bit, and finally addressed the gloomy man. She was a bit long in the tooth, but she was evidently intelligent. The gloomy man was interested, and a brisk conversation resulted. When he was called in the lady's eye fell on a nearby sitter:

"Do you happen to know the name of the man I have been talking with? He is so interesting, and his voice is like organ music."

The incredible part is that a woman who obviously has a lot on the ball should not have recognized John L. Lewis. It is true that most of his portraits malign him.

Sorrows of a good man

FROM the Department of Labor the story comes that, when Secretary Schwellenbach was a young man, there came a strike in his town. He was naturally prejudiced in favor of labor. Even at that relatively early age the future Secretary sang about the rights of man as naturally as a robin. But there were things about the current strike that roused a dim curiosity in him:

"And so," reports the agent in the Department, "he dirtied his face up a little,

wore his oldest suit, and went out on the street to find out."

A striker poked him in the eye on the theory that he might be a goon. Mr. Schwellenbach resisted this champion of the rights of man and a stranger kicked him in the stomach. This incident is recalled to the memories of the old-timers by the lack of cordiality with which some of his recent wanderings in Labor's street have been received. Any resemblance may be purely coincidental.

The voice of democracy

IT LOOKS to him, said the Senator, that this country is going to hell in a basket. He spoke of debts, taxes, cumulative losses of liberties, the lackadaisical attitude of the public. In the Government itself those who are not actively engaged in furthering this descent do not, he said, give a damn:

"They tell me these terrible things," he said, "but they tell me that if I quoted them they'd lose their jobs."

The Senator misunderstands the situation. He has been listening, without knowing it, to the voice of democracy. Sooner or later all the off-the-record stories get into circulation. Most of the current friction in the State Department is chargeable to leaks of facts which the public should have known all about. F.D.R. impounded some important papers. Yet no harm would have been done if the man in the street had known the facts from the beginning.

And he's a friendly man

WHEN "Joe" Krug was head of the W.P.B. a reporter sat one day in the office of the head of one of the most important departments of the War Board:

"At nine this morning I asked Krug for a decision on a matter affecting millions of dollars and thousands of work-days. He told me to call him at three. Miss Turner!"

Mr. Krug was reported on the wire. His decision was yes—or no. It doesn't matter now. The point is that in three hours he had talked to men all over the map, in several industries, had accumulated and assimilated the information and had reached a decision. In some of the government bureaus a decision that has not been aged in the wood for weeks simply doesn't count.

Hark from the tombs—

THE Senator said he wished to Martin Luther that President Truman would begin to imitate another bird;

"His impersonation of a mourning dove is darned effective," said the Senator, "but as a working Democrat I prefer a hawk. Every time he gets near a microphone he begins to croon that he does not like his job and that he is sorry he ever succeeded to the Presidency, and how he is bowed down. So he gets kicked around some more by Congress."

No wonder, said the Senator, that Chairman Bob Hannegan is suffering from political ulcers. "He's got to hold Truman in line for renomination or the party's sunk. But when he sees the tears in those big blue eyes—"

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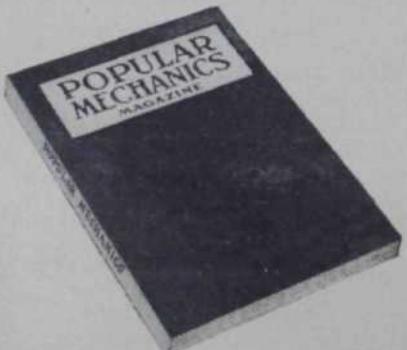
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Manufacturers Screw Products	100	Whitecomb & Washington Hotels	100
<i>Marshall Sackheim & Company, New York</i>		<i>Drury Company, San Francisco</i>	
Marchant Calculating Machine Company	119	Willys-Overland Motors, Inc.	75
<i>Brisacher, Van Norden & Staff, San Francisco</i>		<i>United States Advertising, Toledo</i>	
Marsh Stencil Machine Company	100	Yawman & Erbe Manufacturing Company	118
<i>Krupnick & Associates, St. Louis</i>		<i>Charles L. Rumrill & Company, Rochester</i>	

POWERED for Industry



Pictured above is another reason why Union Pacific can maintain fast schedules. It's one of the "Big Boys," 600-ton super-powered freight locomotives designed to meet industry's heaviest demands.

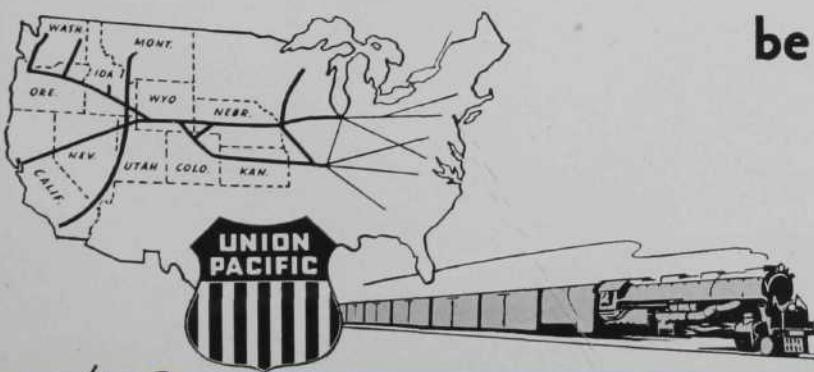
But it takes more than horsepower to keep shipments rolling on schedule. The "know how" of many thousands of trained Union Pacific employees . . . the

time-saving Strategic Middle Route uniting the East with the West Coast . . . are *plus* advantages only Union Pacific provides.

Union Pacific traffic experts are located in metropolitan cities from coast to coast. Call on them to assist in solving your transportation problems.

For efficient, dependable freight service—

**be Specific —
say "Union Pacific"**

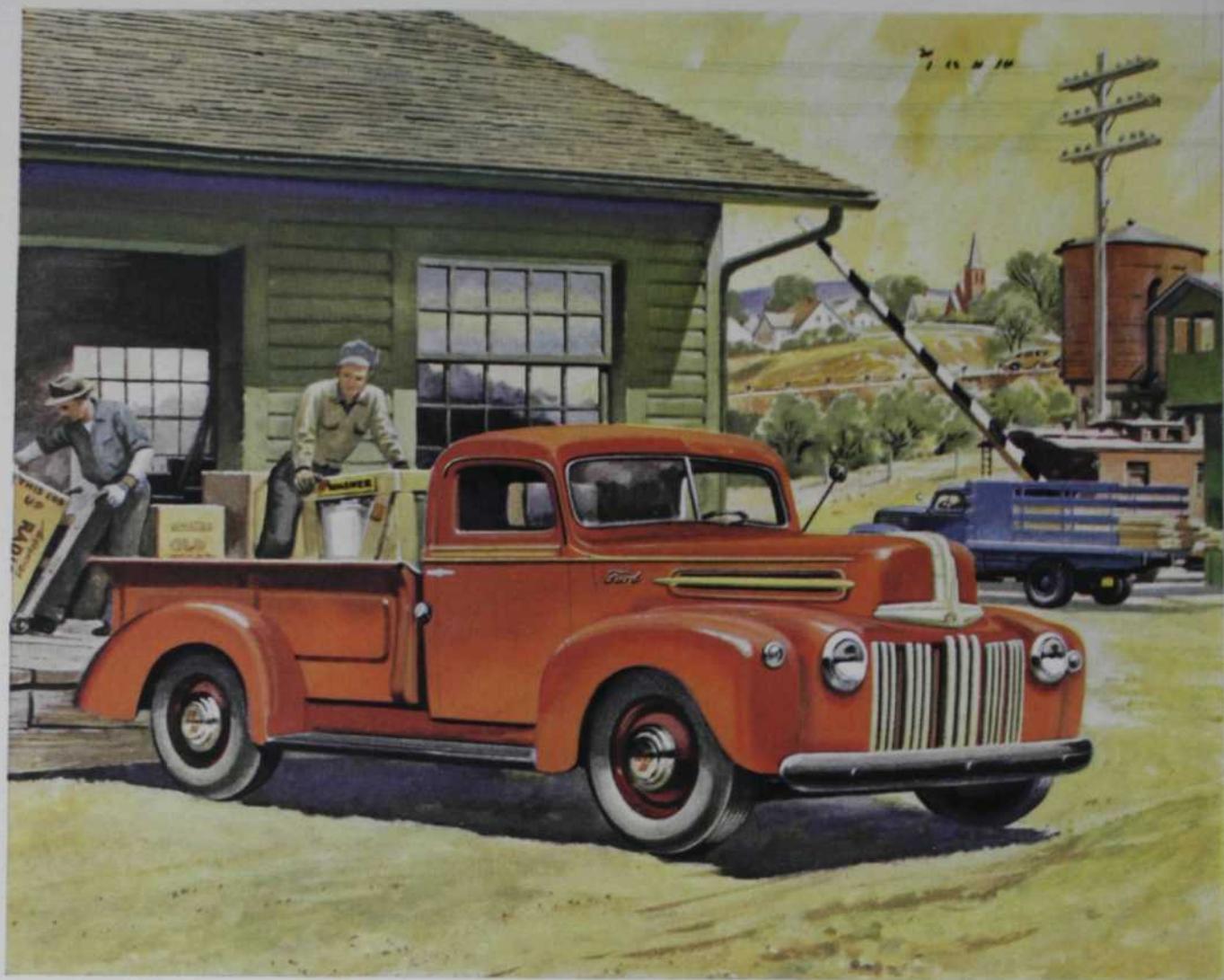


★ *Union Pacific will, upon request, furnish information about available industrial and mercantile sites in the territory it serves. Address Union Pacific Railroad, Omaha, Nebraska.*

The Progressive

UNION PACIFIC RAILROAD

The Strategic Middle Route



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That means *Ford Trucks*, to a tremendous number of experienced truck operators. Ford Trucks have earned, *by performance*, the esteem

of the largest group of loyal owners in the industry.

These new Ford Trucks now being built and delivered to owners in ever-increasing volume, bring you 32 important new engineering advancements. These betterments are designed to provide still greater economy, still more reliable service and still longer service life.

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**51 UNITS TO CHOOSE FROM—
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ALL HAULING JOBS!**

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the 100 HP V-8 or the 90 HP Ford Six

The Light Duty Ford Truck—the Tonner—the Heavy Duty Ford Truck in two wheelbase lengths—the Heavy Duty Dump Truck Chassis—Cab-over-Engine units in three wheelbase lengths—the School Bus Chassis in two wheelbase lengths and the Sedan Delivery—all units in the 1946 Truck Line are being made available as rapidly as possible.

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